

**NOTICE OF PUBLIC MEETING OF THE  
ARIZONA STATE PARKS BOARD**

Notice is hereby given to Members of the Arizona State Parks Board (Board) and the general public that the Board will hold a Planning Session open to the public on **Tuesday, June 15, 2010 at 1:00 p.m.** pursuant to A.R.S. § 38-431.02 and A.R.S. § 41-511.01 *et. seq.* at **Tonto Natural Bridge State Park** located off **Highway 87, 10 miles north of Payson, AZ.** **Items on the Agenda may be discussed out of order, unless they have been specifically noted to be set for a time certain.** Public comment may be taken at the discretion of the Chairman. The Board will discuss the following matter.

The Board may elect to hold an Executive Session for any agendaized item at any time during the meeting to discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03 (A) (3). **Items on the Agenda may be discussed out of order, unless they have been specifically noted to be set for a time certain.** Public comment will be taken. The Board will discuss and may take action on the following matters.

**AGENDA**

- A. CALL TO ORDER - ROLL CALL - 1:00 p.m.**
- B. INTRODUCTIONS**
  - 1. Board Statement -** "As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners."
- C. CALL TO THE PUBLIC –** Consideration and discussion of comments and complaints from the public. Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.
- D. DISCUSS AND EXPLORE STRATEGIES AND OPTIONS FOR SUSTAINABLE PARKS FUNDING**
- E. BUDGET PRESENTATION**
  - 1. Staff will provide a presentation regarding FY 2011, FY 2012 and FY 2013 Operating Budget assumptions and proposal; FY 2011 Capital Improvement Plan; and FY 2011 State Historic Preservation Office (SHPO) Work Plan.**
- F. PRESENTATION ON "POSTCARDS FROM THE PARKS" (40-minute video).**
- G. ADJOURNMENT**

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Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

 5/28/10  
Renée E. Bahl, Executive Director

**\*\*\*AMENDED\*\*\***  
**NOTICE OF PUBLIC MEETING OF THE**  
**ARIZONA STATE PARKS BOARD**

Notice is hereby given to Members of the Arizona State Parks Board (Board) and the general public that the Board will hold a meeting open to the public on **Wednesday, June 16, 2010 at 9:00 a.m.** pursuant to A.R.S. § 38-431.02 and A.R.S. § 41-511.01 *et. seq.* at **Tonto Natural Bridge State Park** which is located off **Highway 87, 10 miles north of Payson, AZ.**

The Board may elect to hold an Executive Session for any agendaized item at any time during the meeting to discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03 (A) (3). Items on the Agenda may be discussed out of order, unless they have been specifically noted to be set for a time certain. Public comment will be taken. The Board will discuss and may take action on the following matters.

**AGENDA**

(Agenda items may be taken in any order unless set for a time certain)

**A. CALL TO ORDER - ROLL CALL**

**B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF**

1. **Board Statement** - "As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners."

**C. CALL TO THE PUBLIC** – Consideration and discussion of comments and complaints from the public. Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.

**D. CONSENT AGENDA** – The following items of a non-controversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation regarding these items prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting, as deemed necessary. The public may view the documentation relating to the Consent Agenda at the Board's office: 1300 W. Washington, Suite 104, Phoenix, Arizona.

1. **Approve Minutes of May 19, 2010 Arizona State Parks Board Meeting**
2. **Approve Executive Session Minutes of May 19, 2010 Parks Board Meeting**
3. **Proposed Reorganization and Expansion of Rule R12-8-306 relating to the Historic Property Tax Program** - Staff recommends that Rule R12-8-306 be reorganized and expanded. The purpose of this rule revision is to allow the State Historic Preservation Office (SHPO) to recommend to the County assessors that they remove properties that have alterations or additions that do

not meet the Standards and that the owners have significantly lowered the level of integrity. This clarification of owner responsibility with regard to maintaining a reclassified property's integrity will close a loophole in the program's administration.

- 3
4. **Consider Awarding Recreational Trails Program Funds to the Apache-Sitgreaves National Forest-Lakeside Ranger District Project – Maverick OHV Trail** – Staff recommends that the Apache-Sitgreaves National Forest – Lakeside Ranger District be awarded \$92,500 from the Recreational Trails Program Motorized Portion.

E. **DISCUSSION ITEMS**

- 4
1. **Update on Lake Havasu State Park, Operations and Capital Development**
  2. **State Parks Operations Status Update**

F. **BOARD ACTION ITEMS**

- 5
1. **Consider Endorsing an Agreement with the Town of Florence for the Operation of McFarland State Historic Park** – Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Florence for the operation of McFarland State Historic Park.
  - 7 **Consider Endorsing an Agreement with the City of Sedona for the Operation of the Gift Shop at Red Rock State Park** – Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the City of Sedona for the operation of the Gift Shop at Red Rock State Park.
  - 9R **Consider a Grazing Agreement for San Rafael State Natural Area** – Staff recommends that the Arizona State Parks Board authorize the Executive Director or designee to negotiate and enter into an agreement for grazing activities at San Rafael State Natural Area, that is consistent with adopted Board policy (March 2006) which requires a grazing management plan and a periodic monitoring program.
  - 13 **Consider Recommendations for Off-Highway Vehicle (OHV) Recreation Fund Allocations for FY 2010 and FY 2011 and Funding for the OHV Ambassador Program and Recommended OHV Projects** – Staff recommends that \$110,000 be awarded to the Bureau of Land Management (BLM) to fund the Off-Highway Vehicle Ambassador program, and that \$75,000 be allocated from the statewide OHV program for grants to expand the Off-Highway Vehicle Ambassador Program.

Staff further recommends that \$534,728 of the statewide OHV program allocation be awarded to the 14 approved projects, and that FY 2011 funds be made available as they accrue and priority projects are reviewed and recommended.

- 20
5. **Consider Continued Development of Strategies for Sustainable Agency Funding** - Staff recommends that the Arizona State Parks Board formally adopt the proposed vision statement, and continue to pursue and evaluate scenarios and measures that might lead to sustainable agency funding. The Board should direct staff to assess the likelihood of establishing sustainable funding through

the legislative and initiative processes, and to formally report back to the Board at its September meeting.

- 35
6. **Consider Approval of the Arizona State Parks FY 2011 (Revised), FY 2012 and FY 2013 Operating Budgets** – Staff recommends that the Arizona State Parks Board Operating Budgets for FY 2011, FY 2012 and FY 2013 as lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor's Office and Legislature as required.
- 67
7. **Consider Approval of FY 2011 Capital Improvement Plan** - Staff recommends that the Arizona State Parks Board approve the Arizona State Parks Capital Improvement Plan for FY 2011 as presented in Attachment-A, which includes the FY 2011 and FY 2012 Tonto Natural Bridge lease purchase payments. Staff further recommends that the Arizona State Parks Board authorize expenditures of up to \$50,000 per year from the Park and Program Donation Accounts.
- 76
8. **Consider Approval of FY 2011 State Historic Preservation Office (SHPO) Work Plan** – Staff recommends the approval of the FY 2011 State Historic Preservation Office (SHPO) Work Plan.
- 80
9. **Consider a Request for Proposal for the Operation of Oracle State Park** – Staff recommends the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal for the operation of Oracle State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.
- 83
10. **Consider Revising Fee Policy to Allow Two Pass Holder Names on Standard and Premium Annual Passes** - Staff recommends the Executive Director revise the Standard and Premium Pass policy immediately to allow for two pass holder names on each pass. Further all valid existing annual passes will be eligible to have a second pass holder added. Staff is directed to continue its efforts in pass holder verification to prevent fraudulent use.

**G. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS**

1. Staff recommends that the next Arizona State Parks Board Meeting be on Wednesday, September 15, 2010.
2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

**H. ADJOURNMENT**

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 14 June 2010  
Renée E. Bahl, Executive Director



**PROPOSED REORGANIZATION AND EXPANSION OF RULE R12-8-306  
RELATING TO THE HISTORIC PROPERTY TAX PROGRAM**

**Background**

In 1976 legislation was enacted (SB 1142) that created a property tax classification for non-income (now non-commercial) historic properties to be taxed at one half the rate of residential properties (now 5% versus 10% full cash value). The program was designed to encourage reinvestment in National Register individually listed properties and contributing properties to National Register historic districts. The reclassification applied primarily to owner-occupied residential properties although a few non-profit properties such as Woman's Clubs and vacant commercial properties were eventually enrolled. To guarantee that the owner was maintaining the property, the Arizona State Parks Board approved Minimum Maintenance Standards. Any alterations or additions to reclassified properties have to be reviewed by the State Historic Preservation Office (SHPO) for adherence with the Secretary of the Interior's Standards for Rehabilitation. Owners of reclassified properties must submit cyclical reports to the SHPO to prove continued eligibility. Owners are reclassified for 15 years with a possible 15-year renewal.

**Current Status**

The purpose of the program has been successful, but only 5,573 out of 15,403 eligible properties are currently enrolled in the program. Over the last 5 years several inappropriate alterations or additions have been made without SHPO consultation. These changes are lowering the integrity of the properties. In some cases the loss of integrity is severe and the property is delisted from the National Register and removed from the classification. But in a growing number of cases, owners are completing alterations or additions that do not meet the Standards, but are not egregious enough to be removed from the National Register, thereby, remaining classified as historic properties under the tax program.

**Staff Recommendation**

Staff recommends that Rule R12-8-306 be reorganized and expanded. The purpose of this rule revision is to allow the State Historic Preservation Office (SHPO) to recommend to the County assessors that they remove properties that have alterations or additions that do not meet the Standards and that the owners have significantly lowered the level of integrity. This clarification of owner responsibility with regard to maintaining a reclassified property's integrity will close a loophole in the program's administration.

**Recommended Board Action**

I move that the Arizona State Parks Board approve the proposed changes to rule R12-8-306 and forward this recommendation to the Governor's Regulatory Review Board.



**Arizona State Parks Board Rules**  
**R12-8-306. Historical Integrity, Rehabilitation Standards and**  
**Minimum Maintenance**

**A) Historical Integrity:**

- 1) The owner of a certified Commercial or Non-Commercial historic property, as steward of the historic property, shall preserve the Historical Integrity of the features, materials, design, workmanship and setting, to preserve its eligibility for listing on the National Register of Historic Places.
- 2) Historical Integrity is a property's historic identity evidenced by the survival of those characteristics that qualify a property for listing on the Register.
- 3) Any alteration or addition to a certified historic property must have approval by the Officer prior to the start of construction.
- 4) The state of integrity of a property at the time of enrollment in the state property tax program is a critical benchmark. Any loss of integrity following the application submission shall be grounds for removal of the historic property from the property tax program.
- 5) Property owners can contact the State Historic Preservation Office concerning what characteristics qualify their property for listing on the Register.

**B) Rehabilitation Standards:**

- 1) The Officer shall review all proposed alteration or addition projects for certified historic properties to ensure that the planned projects meet *The 1995 Secretary of the Interior's Standards for Rehabilitation as issued by the National Park Service*. Copies of the Standards are available from the National Park Service Technical Preservation Services Division, the State Historic Preservation Office or the U.S. Government Printing Office.
- 2) The property owner shall submit both written and graphic proposals (Construction Documents) for the proposed rehabilitation project to the Officer before starting any construction. The Officer has 30 calendar days from receipt of the proposal in which to approve or disapprove the proposed project based on application of the *Secretary of the Interior's Standards for Rehabilitation*.
- 3) The owner shall submit photographs that document compliance with the standards of any completed alteration or addition project no later than 30 calendar days after project completion.
- 4) If a conflict occurs between the requirements of the Officer or the Officer's representative, and local building officials or any applicable laws, a meeting of the appropriate representatives shall be called by the owner to discuss the question and reach an equitable solution.
- 5) Any rehabilitation project that does not comply with the standards shall constitute a loss of integrity and shall be grounds for removal of the historic property from the property tax program.
- 6) Disagreements between the Officer and any property owner over the determination of those characteristics that qualify a property for listing or interpretation of the *Secretary of the Interior's Standards for Rehabilitation* as related to a perceived loss of integrity, can be appealed to the Historic Sites Review Committee, a Standing Committee of the Arizona Historical Advisory Commission.

**C) Minimum Maintenance:**

- 1) The owner of a historic property shall protect the condition of the historic property from accelerated deterioration due to vandalism, structural failure, climatic weathering including the affects of water infiltration, fire, or flooding.
- 2) The owner of a historic property shall maintain the historic property by keeping it secure; maintaining windows and doors; maintaining security fences, if applicable; maintaining roofing and drainage systems; minimizing damage from insects, birds, and animals; and maintaining landscape to reduce fire potential.
- 3) The Officer shall decertify any certified historic property, which is condemned by a local authority.

**CONSIDER AWARDING RECREATIONAL TRAILS PROGRAM  
FUNDS TO THE APACHE-SITGREAVES NATIONAL FOREST-  
LAKESIDE RANGER DISTRICT PROJECT – MAVERICK OHV TRAIL**

**Background**

On September 23, 2004 and September 15, 2005 the Arizona State Parks Board awarded the Apache-Sitgreaves National Forest – Lakeside Ranger District grants from the Recreational Trails Program to complete the OHV Travel Corridor (Maverick OHV Trail), a 50-mile OHV trail across the Lakeside Ranger District. The projects built new trail, renovated and placed signs along existing trail, and added two trailheads. The projects were completed in October 2009. However, about 12-15 miles of the trail were laid on ground that is very rough and rocky. The projects ran out of time and money to complete adding a crushed rock surface to this entire stretch.

**Current Status**

The Lakeside Ranger District submitted a Sticker Fund Project Selection Program application requesting \$92,500 to improve about 6.5 miles of the worst remaining areas on the Maverick OHV Trail to make the trail more desirable.

The guidelines for the use of Recreational Trails Program (RTP) funds allow “cost overruns” on projects that were authorized during the program (1999-2005). There is a large amount of unexpended funds available, and few projects eligible to use the money. Additionally, there may be some unused match from the original projects that could be applied. The amount of unused match will be determined upon final close out on the previous projects.

Unexpended RTP Motorized Portion Funds	\$589,339
Recommended Award to Lakeside Ranger District	<u>\$92,500</u>
Balance Unexpended RTP Funds	\$496,839

**Staff Recommendation**

Staff recommends that the Apache-Sitgreaves National Forest – Lakeside Ranger District be awarded \$92,500 from the Recreational Trails Program Motorized Portion.

The Off-Highway Vehicle Advisory Group (OHVAG) concurred with the staff recommendation at its May 21, 2010 meeting.

**Recommended Board Action**

I move that the Arizona State Parks Board award \$92,500 from the Recreational Trails Program Motorized Portion to the Apache-Sitgreaves National Forest – Lakeside Ranger District, and authorize the Executive Director or designee to execute an agreement.

## STATE PARKS OPERATIONS STATUS UPDATE

Over the past nine months agency staff have worked hard to keep parks open by both leveraging existing partnerships and building new relationships with local partners. The end result of this work is that instead of closing thirteen parks, as originally proposed in January of 2010, only five are currently not open to the public. In addition, staff continue to seek alternate solutions to reopen these remaining five parks. The summary below describes current operations at all parks.

### A. Parks that were never scheduled to close:

1. Buckskin Mountain State Park (SP)/ River Island
2. Catalina SP
3. Cattail Cove SP
4. Dead Horse Ranch SP
5. Fool Hollow Lake Recreation Area
6. Kartchner Caverns SP
7. Lake Havasu SP
8. Patagonia Lake SP
9. Slide Rock SP

### B. Parks Operated by Arizona State Parks staff through partnership support:

Park	Partner
1. Alamo Lake SP	La Paz County
2. Fort Verde State Historic Park (SHP)	Town of Camp Verde
3. Lost Dutchman SP	Town of Apache Junction
4. Lyman Lake SP	Apache County (closes Sept. 7, 2010)
5. Picacho Peak SP	Town of Eloy
6. Red Rock SP	City of Sedona
7. Riordan Mansion SHP	Arizona Historical Society
8. Roper Lake SP	Graham County & AZ Game & Fish
9. Tonto Natural Bridge SP	Town of Payson (closes Sept. 27, 2010)

### C. Parks Operated by Partners with no State Parks staff:

Park	Partner
1. Boyce Thompson Arboretum SP	University of Arizona & Boyce Thompson Foundation
2. Tombstone Courthouse SHP	City of Tombstone
3. Tubac Presidio SHP	Santa Cruz County & Tubac Historical Society
4. Yuma Territorial Prison SHP	City of Yuma
5. Yuma Quartermaster Depot SHP	City of Yuma

### D. Parks Which Are Currently Closed to the Public:

1. Homolovi Ruins SHP
2. Jerome SHP
3. McFarland SHP
4. Oracle SP
5. San Rafael State Natural Area (SNA)

**CONSIDER ENDORSING AN AGREEMENT WITH THE TOWN OF FLORENCE  
FOR THE OPERATION OF MCFARLAND STATE HISTORIC PARK**

**Background**

The McFarland State Historic Park (Park) is owned and operated by the Arizona State Parks Board (Board). The park closed for construction and stabilization in February 2009. The construction is complete but the Park remains closed due to budgetary limitations.

Town of Florence (Town) approached the agency with a proposal to cooperatively operate the park in response to the FY 2010 budget reductions. The Town Council has not taken official action on this agreement yet.

**Current Status**

The Board and the Town recognize the importance of keeping the Park open to the public, and further recognize the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the park. Through this agreement the Town will operate the park through its Main Street Program. The program offices will be located in the Park, space dedicated to offices will be have relevant exhibits provided by Arizona State Parks. This agreement opens McFarland State Historic Park to the public.

Through Board action on September 11, 2009, the Executive Director is authorized to enter into, amend and withdraw from operating agreements in order to offset or reduce costs, or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter agreements for the sole purpose of keeping parks open.

**Components of the Agreement:**

- Initial term of this agreement is for three-years with option to renew for two additional three-year periods.
- McFarland State Historic Park name and contact information will remain the same.
- Town or its agent will provide for staffing, operation and routine maintenance costs in lieu of rent. The Town shall maintain and repair the park, which includes those activities necessary to keep the facility in good working order and professional in appearance. The Town agrees to pay all utility costs including electric, gas, phone, internet connection, trash, water, wastewater.
- Capital projects would be done in cooperation with the agency. If funds are available for miscellaneous small capital improvement projects, the agency will provide up to \$35,000 for the projects.

- All net revenues generated by special events shall be placed in a Town administered fund to be used for jointly agreed upon capital improvements to the park.
- Artifact collections located within the park shall be properly protected and cared for following standard museum practices described in The National Park Service Museum Handbook. Proper security measures shall be provided and monitored for the protection of the artifact collections and exhibits.
- The Board shall make gift shop merchandise available to the Town, subject to the terms and conditions specified in the ASP Gift Shop merchandise policy for agreement partners. Gift shop merchandise shall only be sold at the park and at special event venues sanctioned by the park.

**Staff Recommendation**

Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Florence for the operation of McFarland State Historic Park.

**Recommended Board Action**

I move that the Arizona State Parks Board endorse the major components of the agreement with the Town of Florence for the operation of McFarland State Historic Park.

**CONSIDER ENDORSING AN AGREEMENT WITH THE CITY OF SEDONA  
FOR THE OPERATION OF THE GIFT SHOP AT RED ROCK STATE PARK**

**Background**

Red Rock State Park (Park) is owned and operated by the Arizona State Parks Board (Board). The Park was scheduled to close on June 3, 2010 but will now remain open due to an agreement with Yavapai County.

City of Sedona (City) approached the agency with a proposal to provide for the operation of the Gift Shop at the Park in response to the FY 2010 budget reductions. The City is expected to enter into a services contract with a local non-profit organization to provide managerial services for the Gift Shop. As part of this effort the City will provide financial services and oversight of the Gift Shop operations. The City Council is expected to take action on June 22, 2010 to enter into an agreement with the Board.

**Current Status**

The Board and the City recognize the importance of keeping the Park open to the public, and further recognize the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the park. By this agreement the City, through its agent, will operate the Gift Shop. This reduces the cost to operate the Park.

Through Board action on September 11, 2009, the Executive Director is authorized to enter into, amend and withdraw from operating agreements in order to offset or reduce costs, or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter agreements for the sole purpose of keeping parks open.

**Major Components of the Agreement:**

- Initial term of the agreement is for one-year with option to renew for two additional one-year periods.
- The City will act as a contacting entity in securing managerial services to operate the Red Rock State Park Gift Shop.
- The City will provide financial services and oversight of the Gift Shop operations.
- The Board shall make gift shop merchandise available to the City, subject to the terms and conditions specified in the ASP Gift Shop Merchandise Policy. Gift shop merchandise shall only be sold at the park and at special event venues sanctioned by the park.
- Real property, buildings and fixtures of the Red Rock State Park Gift Shop are the property of the Board and the Board will continue to assume the insurance responsibilities for same.



- The agreement may be terminated upon thirty days written notice to the other party or upon mutual agreement of the parties.

**Staff Recommendation**

Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the City of Sedona for the operation of the Gift Shop at Red Rock State Park.

**Recommended Board Action**

I move that the Arizona State Parks Board endorse the major components of the agreement with the City of Sedona for the operation of the Gift Shop at Red Rock State Park.



**CONSIDER A GRAZING AGREEMENT FOR  
SAN RAFAEL STATE NATURAL AREA**

**Background**

The San Rafael Ranch and Cattle Company was established by cattle rancher Colin Cameron and later acquired by Colonel William Greene in 1903. His daughter, Florence Sharp, later inherited the Cattle Company and its associated land. The Sharp family operated the San Rafael Cattle Company and Ranch for more than 95 years. The Nature Conservancy recognized the ecological value of the area and purchased the Ranch from the Sharp family in 1998. In 1999, Arizona State Parks purchased the 3357 acres on the southern section and established it as the San Rafael State Natural Area. The remaining 17,574 acres were protected by a Conservation Easement managed by Arizona State Parks and sold to a private landowner, and continues to be operated as a working cattle ranch.

In 2008 the ranch headquarters was designated as a National Historic District.

Arizona State Parks has the responsibility to identify, preserve, protect and monitor the conservation values of the Natural Area and Conservation Easement. Combined, both properties are referred to as the San Rafael Short Grass Prairie Preserve. The Preserve is bounded on the south by the US/Mexico international boundary.

**Current Status**

The Board took action at its March 16, 2006 meeting and approved a Natural Areas Program Advisory Committee (NAPAC) recommendation for a policy to be developed that included implementation guidelines for livestock grazing management and monitoring on natural area properties.

The Board's action was based on a NAPAC approved action of October 17, 2005, which recommended:

The ASP Board develops and adopts a policy and implementation guidelines that incorporate the following provisions:

- No legal livestock grazing shall be allowed on Natural Areas properties unless grazing benefits the natural area values for which the property was acquired, and
- On Natural Area properties currently owned by State Parks, no legal livestock grazing shall be permitted without a properly reviewed and implemented comprehensive natural resources management plan. The comprehensive natural resources management plan for the Natural Area shall include a grazing management plan and appropriate monitoring design. The grazing plan component should be developed by a credible

organization such as the Natural Resources Conservation Service.

In March 2006, the Board approved this broad policy.

In addition, the Board asked that staff and NAPAC work on specific plans and guidelines related to each State Parks' operated natural area and present them to the Board at a later date. These specific plans have yet to be completed due to resource limitations.

**Proposed Scope of an Agreement**

The Board may authorize a grazing agreement in accordance with the advisory committee recommendation, without a formally adopted policy, by incorporating a requirement in the agreement that includes a grazing management plan and monitoring program.

**Staff Recommendation**

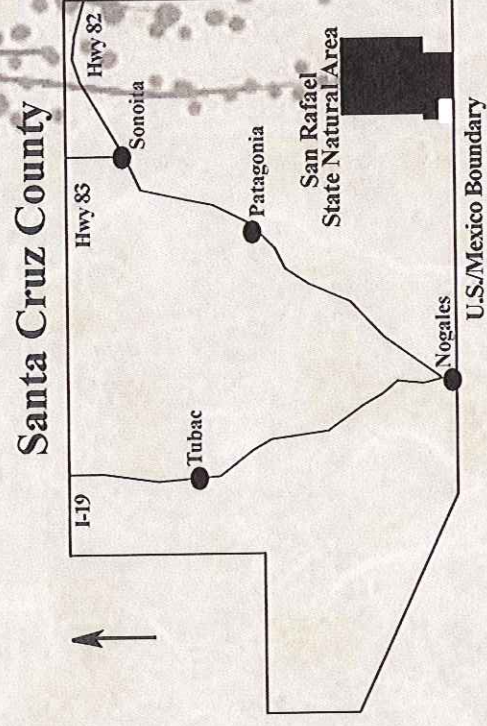
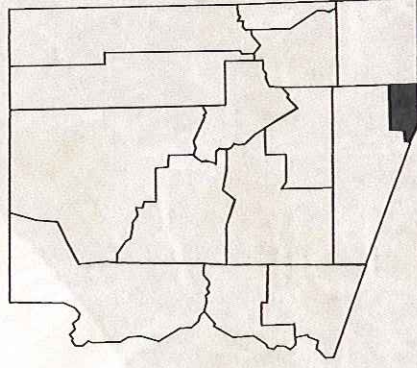
Staff recommends that the Arizona State Parks Board authorize the Executive Director or designee to negotiate and enter into an agreement for grazing activities at San Rafael State Natural Area, that is consistent with adopted Board policy (March 2006) which requires a grazing management plan and a periodic monitoring program.

**Recommended Board Action**

I move that the Arizona State Parks Board authorize the Executive Director or designee to negotiate and enter into an agreement for grazing activities at San Rafael State Natural Area, that is consistent with adopted Board policy (March 2006) which requires a grazing management plan and a periodic monitoring program.

## *Location*

❖ **San Rafael Short Grass Prairie** Preserve is located in southern Arizona in the southeastern corner of Santa Cruz County approximately 23 miles southeast of the town of Patagonia.





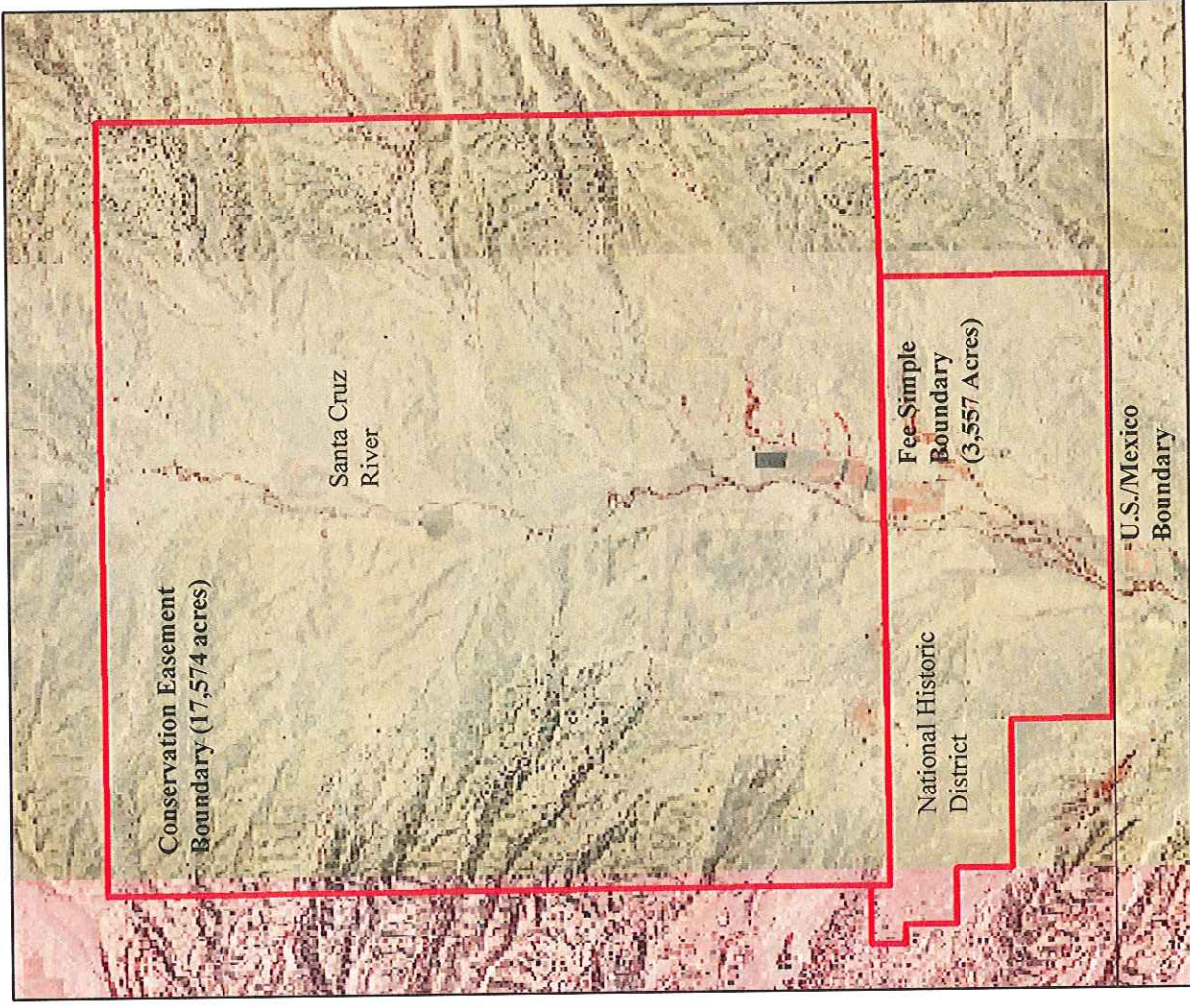
## San Rafael Short Grass Prairie Preserve

The Preserve is located in the San Rafael Valley (110,000 acres) between the Patagonia Mountains (west), Huachuca Mountains (east), Canelo Hills (north) and U.S./Mexico boundary (south).

The valley has an elevational range from 3500' -5200'; the surrounding mountains rise to 7200' (west) and 9400' (east).

The Santa Cruz River originates in the valley and flows south into Mexico.

Most of the valley lands are privately owned, most of the mountains are within the Coronado National Forest.



**CONSIDER RECOMMENDATIONS FOR OFF-HIGHWAY VEHICLE (OHV) RECREATION FUND ALLOCATIONS FOR FY 2010 AND FY 2011 FOR THE OHV AMBASSADOR PROGRAM AND RECOMMENDED OHV PROJECTS**

**Background**

The Off-Highway Vehicle (OHV) Recreation Fund is comprised of tax on motor fuel and, since the passing of SB 1167 (effective January 1, 2009), OHV indicia (sticker) revenues. The Arizona State Parks Board receives 60% percent of the OHV Recreation Fund to administer a statewide OHV program, consistent with the Board approved 2010 State Trails Plan.

The fund has been a target of legislative sweeps; a total of \$10,890,500 has been swept since FY1999. Additionally, since FY2002, the Legislature has authorized the ASPB to use up to \$692,100 annually for non-OHV agency operating (a total of \$6,228,900 from FY2002-2010).

Attachment A describes the funds available in the OHV program in fiscal year 2009, and anticipated revenues available in fiscal year 2010 and 2011. In summary staff anticipates that \$1,812,405 will be available for OHV projects.

2009 Fund Balance	\$1,667,209
2010 Projected Excess Revenue	<u>\$145,196</u>
Projected Balance Thru 2010 for OHV Program	\$1,812,405
OHV Ambassador Program / BLM Award	<\$110,000>
OHV Ambassador Program Grants Allocation	<\$75,000>
OHV Project Awards	<u>&lt;\$534,728&gt;</u>
Recommended Parks Board Actions	\$719,728

**Current Status – OHV Ambassador Program (OHVA)**

The OHVA program has proven very successful in providing on-site management assistance to land managers, and providing important safety and responsible use messages to OHV riders. The OHVA meets the priorities established in the Board approved Trails Plan by providing a management and law enforcement presence, providing educational programs, and promoting coordinated volunteer opportunities. The current program is coordinated through the Bureau of Land Management (BLM)-Phoenix District Office, and affects areas within the Phoenix urban area. Attachment B shows BLM's anticipated expenditures.

BLM staff and the OHVA planning team recommend expanding the program statewide to interested user groups and land managers. Grants of \$25,000 would be offered to user groups with 501(C)(3) tax status and public agencies who enter into a stewardship agreement. Selected participants will operate under a Participant Agreement for five years. The grant will provide a package of selected equipment to conduct OHVA events (including a OHVA wrapped trailer, radio communication equipment, sanctioned OHVA jerseys and helmet



skins), educational materials, ongoing training opportunities, best practices coaching, law enforcement support, and liability insurance (if eligible).

**Staff Recommendation – OHV Ambassador Program**

Staff recommends that \$110,000 be awarded to the BLM to fund the Off-Highway Vehicle Ambassador program, and that \$75,000 be allocated from the statewide OHV program for grants to expand the Off-Highway Vehicle Ambassador program.

At its May 21, 2010 meeting the Off-Highway Vehicle Advisory Group (OHVAG) concurred with the staff recommendation.

**Recommended Board Action – OHV Ambassador Program**

I move that the Arizona State Parks Board award \$110,000 to the BLM to fund the Off-Highway Vehicle Ambassador program, and that \$75,000 be allocated from the statewide OHV program for grants to expand the Off-Highway Vehicle Ambassador program, and authorize the Executive Director or Designee to execute agreements.

**Current Status – OHV Projects**

On February 8, 2010, State Parks announced the “Sticker Fund Project Selection Program” (Program). The priorities for project selection was determined by the OHVAG at their January 8, 2010, meeting, and were consistent with the Board approved State Trails Plan. Program information and an application form were e-mailed to land managers, user groups, and other interested parties and placed on the State Parks website. Projects applications were due by April 15, 2010. The announcement stated \$309,000 from the Off-Highway Vehicle Recreation Fund attributed to the sale of the vehicle indicia (sticker) would be available for projects.

The most efficient manner to execute the Program is through intergovernmental agreements (IGAs). IGAs have been executed with the BLM and the Forest Service, and other public partners will be sought.

Fourteen project applications requesting \$663,988 were received by the April 15<sup>th</sup> deadline. Each application included a description of the proposed work, a request for a specific amount of funds to complete the work, a map of the project area, pictures of areas to be improved or facilities to be constructed, and a letter or letters from user groups supporting the project.

At its May 21, 2010 meeting OHVAG prioritized the projects for funding consideration based on the availability of funds, and recommended that all of the projects be funded at the requested amount, except the Lakeside Ranger District – Maverick Trail project which would be funded with not more than \$20,000 to match Recreational Trails Program funds. Attachment C shows the order of projects by priority and the requested fund amount.

**Staff Recommendation – Project Funding**

Staff recommends that \$534,728 of the statewide OHV program allocation be awarded to the 14 approved projects, and that FY 2011 funds be made available as they accrue and priority projects are reviewed and recommended.

At its May 21, 2010 meeting the OHVAG recommended that all 14 project be funded at the requested amounts and the full amount of 2010 OHV Recreation Fund monies and any monies received in FY 2011 be allocated for use on OHV projects.

**Recommended Board Action – Project Funding**

I move that the Arizona State Parks Board award \$534,728 of the statewide OHV program allocation to the 14 recommended projects, and that FY 2011 funds be made available as they accrue and priority projects are reviewed and recommended, and authorize the Executive Director or designee to execute agreements.

PROJECTED OHV RECREATION FUND REVENUES THROUGH JUNE 2011
--

PROJECTED 2010 REVENUES	YEAR
FUEL TAX (HURF)	\$1,425,794
DECALS (STICKERS)	\$846,918
INTEREST	\$16,939
 TOTAL REVENUES	 \$2,289,651
 PROJECTED 2010 EXPENDITURES/TRANSFERS	
PROGRAM ADMIN	\$224,458
PARKS OPERATING APPROPRIATION	\$692,100
OHV PROGRAMS AND GRANTS	\$143,797
TRANSFERS TO GENERAL FUND	\$584,100
TRANSFER TO BACKFILL OTHER FUNDS	\$500,000
 TOTAL EXPENDITURES/TRANSFERS	 \$2,144,455
 EXCESS REVENUES 2010	 \$145,196
 FUND BALANCE THRU 2009	 \$1,667,209
FUND BALANCE THRU 2010	\$1,812,405
 PROJECTED 2011 REVENUES	 YEAR
FUEL TAX (HURF)	\$1,425,794
DECALS (STICKERS)	\$846,918
INTEREST	\$16,939
 TOTAL REVENUES	 \$2,289,651
 PROJECTED 2011 EXPENDITURES/TRANSFERS	
PROGRAM ADMIN	\$224,458
PARKS OPERATING APPROPRIATION	\$692,100
OHV PROGRAMS AND GRANTS	-\$66,300
TRANSFERS TO GENERAL FUND	\$745,300
 TOTAL EXPENDITURES/TRANSFERS	 \$1,595,558
 EXCESS REVENUES 2011	 \$694,093
 FUND BALANCE THRU 2011	 \$2,506,498



### Bureau of Land Management Funding Request for Federal Fiscal Year (FFY) 2011

BLM is requesting the following amounts to administer and coordinate the OHVA Program through FFY 2011 (Oct 2010 – Sept 2011):

OHV Administration/Logistics (contracted through Advanced Resource Solutions):	salary	\$30,000
OHV Coordinator (located in BLM-Phoenix District):	salary	\$45,000
<b>Total Program Administration</b>		<b>\$75,000</b>

Operating Costs for two BLM units and one FS unit include equipment maintenance, fuel (vehicles, generator), supplies for events, training, tools:

• Fuel (gas and LP):.....	\$1,500	
• Preventative Maintenance for two OHVA Trailers: .....	\$1,500	
• Preventative Maintenance for OHVA/ ASP Polaris RZR: .....	\$600	
• Refreshments (water, snacks) for OHVA events:.....	\$800	
• OHVA Training (manual printing, lunch, supplies, etc): ....	\$1,000	
• OHVA Recognition Dinner (food, gifts, etc):.....	\$900	
• SPOT Yearly fee for three devices: .....	\$700	
• Equipment break down/ other:.....	\$1,500	
• Printing/purchasing educational material: .....	\$1,500	
Total Operating Costs		\$10,000
<b>TOTAL CURRENT OHVA PROGRAM</b>		<b>\$85,000</b>

Proposed expansion to two new areas – BLM-Yuma Field Office & Coronado National Forest).

Start up/1 <sup>st</sup> year operating costs @ \$2,500 per site:	\$5,000
OHVA Site Equipment Estimate Start Up Costs (per site)	
• Cargo Trailer 6'X12' .....	\$4,000
• Trailer Wrap.....	\$2,500
• Pop Up Tent W/OHVA Logos .....	\$400
• 30 helmet skins .....	\$400
• 30 jerseys .....	\$500
• Lantern.....	\$30
• Glow sticks.....	\$15
• 2 coolers .....	\$120
• Trailer Brochure racks .....	\$400
• 3 folding chairs .....	\$60
• First aid kit .....	\$350
• Fire extinguisher.....	\$55
• Tool kit .....	\$50
• 30 handbooks.....	\$220
• 10 Agency handbooks .....	\$75
• 2 Spot's (w/ two year service) .....	\$450
• 2 six-foot folding tables .....	\$100
• 3 A-frame signs.....	\$275
Start-up equipment costs @ \$10,000 per site:	\$20,000
<b>TOTAL EXPANDED OHVA UNITS</b>	<b>\$30,000</b>
<b>GRAND TOTAL FFY 2011 OHVA PROGRAM</b>	<b>\$110,000</b>

Attachment C

PARKS BOARD MEETING -

SPONSOR	SUPPORTERS	PROJECT AREA	PROJECT LOCATION	PROPOSED WORK	REQUESTED FUNDS	MATCH
Tammy Pike Tonto NF / Cave Creek RD	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Desert Vista OHV Area (So of Bartlett Lake Rd)	Scottsdale/Phoenix/Mesa	Trail rehabilitation	\$24,380	\$20,000
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Table Mesa OHV Area	North Maricopa County	Construct 9 miles of ATV trail Construct 1 mile of jeep road to access rock crawling area	\$32,380	\$30,000
Len Marceau BLM-Kingman FO	Valapai 4-Wheelers Bullhead 4-Wheelers	Moss Wash OHV Trail Sleeping Princess OHV Trail Route 66 Back Country Byway Black Mtn & Huatapai Mtn Access Routes	Kingman	Install kiosks and trail markers, repair/replace signs	\$10,790	\$3,600
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Boulders OHV Staging Area	Hwy 74 @ milepost 12 / Maricopa County	Dust treatment for access road, parking area, & tot lot	\$40,236	\$0
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Table Mesa OHV Area, Little Pan Road staging area	North Maricopa County	Install 2 stall restroom	\$42,861	\$0
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Castle Hot Springs Road landing strip staging area	North Maricopa County / Yavapai County	Trail rehabilitation	\$17,197	\$2,000

SPONSOR	SUPPORTERS	PROJECT AREA	PROJECT LOCATION	PROPOSED WORK	REQUESTED FUNDS	MATCH
Annette Smith Tonto NF / Globe RD	NONE	Pipeline OHV staging area	near Globe	Install vault toilet and pipe rail fence	\$34,384	\$0
Allen Cross Tonto NF / Mesa RD	Tonto Recreation Alliance (TRAL)	Rolls OHV Area	Scottsdale/Mesa	Trail maintenance, signage, restoration	\$79,425	\$6,050
Lorna McNeil-Cox A-S NF / Lakeside RD	White Mountain Open Trails Assn	Maverick OHV Trail	Shaw Low/Lakeside	Trail rehabilitation, signage	\$20,000	\$98,500
Shawn Blackburn Mohave County Parks	Cerbat Ridge Runners ATV Club Dolan Springs Trail System Central Arizona Trials, Inc	Hualapai Mountain Park	Kingman	Improve staging area sanitary facilities, add 18 large parking/camping stalls, add group shelter	\$100,000	\$10,000
Tammy Pike Tonto NF / Cave Creek RD	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Desert Vista OHV Area (No of Bartlett Lake Rd)	Scottsdale/Phoenix/Mesa	Trail rehabilitation		
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Table Mesa OHV Area / North Maricopa County	Table Mesa exit on I-17	Install 2 kiosks w/panel information	\$98,800	\$6,000
Jason Williams Prescott NF / Bradshaw RD & Verde RD	Arizona Trail Riders	Sheridan Mtn / Smith Mesa OHV area Hayfield Draw OHV area	Prescott/Chino Valley/ Cottonwood/Camp Verde	Trail rehabilitation	\$10,858	\$0
Tom Bikauskas Mary Skordinski BLM-Hassayampa FO	Arizona Trail Riders Vicious Toys AZ Off Highway Vehicle Coalition Tonto Recreation Alliance (TRAL) Honeywell 4 x 4 Club Arizona Rock Rats Rock Stars Motorcycle Club Bradshaw Foothills Coalition Ride Now Motorsports Arizona State Assn of Four Wheel Drive Clubs Arizona ATV Riders, Inc	Hassayampa FO OHV use areas	North Maricopa County	Equipment purchase for LEO use	\$60,000	\$0
					\$20,177	\$0
TOTAL REQUESTED OHV PROJECTS					\$534,728	

**CONSIDER CONTINUED DEVELOPMENT OF  
STRATEGIES FOR SUSTAINABLE AGENCY FUNDING**

**Background**

Last fall, the Parks Board and Parks staff began the process of reformulating the agency's Strategic Plan. The plan was to cover the next two to three years, and was to focus on the "Sustainability of the Agency." The Governor's Task Force on Sustainable State Parks Funding submitted their findings and report on October 30, 2009. A Strategic Planning subcommittee of the Board (Scalzo, Baier and Colton) met initially with Executive Staff. Those efforts were then supplemented by discussions with the full Parks Board and a more extensive leadership group at State Parks. The Board reaffirmed its commitment to the agency's mission statement ("Managing and conserving Arizona's natural, cultural and recreational resources for the benefit of the people, both in our Parks and through our Partners"), and proposed a new vision statement ("Arizona State Parks is indispensable to the economies, communities and environments of Arizona").

The pages following this report summarize the Board's efforts.

**Current Status**

The agency's Strategic Planning efforts were diverted by the legislative special session just before Christmas, and then the regular session, which concluded in May. In the current economic situation, sustainable funding for state park system remains a critical need. Staff will continue to draft strategic goals and objectives that will be reviewed by the Parks Board this fall.

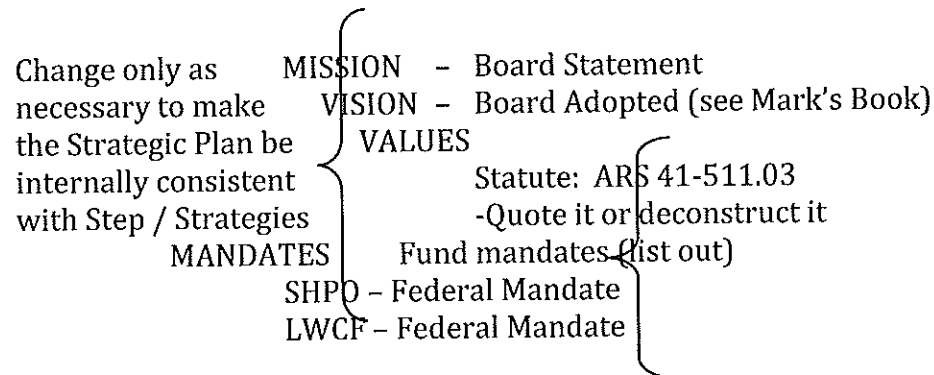
**Staff Recommendation**

Staff recommends that the Arizona State Parks Board formally adopt the proposed vision statement, and continue to pursue and evaluate scenarios and measures that might lead to sustainable agency funding. The Board should direct staff to assess the likelihood of establishing sustainable funding through the legislative and initiative processes, and to formally report back to the Board at its September meeting.

**Recommended Board Action**

I move that the Arizona State Parks Board adopt the new vision statement ("Arizona State Parks is indispensable to the economies, communities and environments of Arizona"), and continue to pursue and evaluate scenarios and measures that might lead to sustainable agency funding. I further move the Parks Board direct staff to assess the likelihood of establishing sustainable funding through the legislative and initiative processes, and to formally report back to the Board at its September meeting.

**Strategic Plan Framework - "The Sustainability of the Agency"**



INTERNAL ENVIRONMENT

- Current Plan? Outdated
- Strengths
- Weaknesses

EXTERNAL ENVIRONMENT

- Opportunities
- Threats

IDENTIFY STRATEGIC ISSUES / PRIORITIZE THE ISSUES

STRATEGIES FOR EACH ISSUE

- Actions

WHAT IS OUR END STATE IF WE IMPLEMENT?

UPDATING / REPETITION SCHEDULE

**PARKING LOT:**

- Update vision statement after SWOT / Strategies
- Revenue producing opportunities in potential legislation this coming year
- Making money for mitigation off copper extraction/other natural resources
- Transform recommendations and ideas into solutions that are implemented
- Prepare for upcoming concession negotiations

**POTENTIAL ONE-TIME REVENUE GENERATORS:**

- Naming rights (people/corps)
- Advertising
- Research "Leases"
- Issue Rows
- Mitigation "Leases"
- Carbon sequestration areas
- Water rights sales

## **STRENGTHS:**

- A. Our properties
- B. Experienced and respected staff
- C. State wide impacts
  - Affect things across whole state
- D. Volunteers - number and quality
- E. Funded SHPO program – it is self-supporting
- F. Composition of current board
- G. Media appeal of the system
- H. That Arizona residents visit the parks
- I. Partners - number and quality
- J. Public information component- it is up to date given available resources
- K. Reputation in the public and in legislature is good overall
- L. Contribution to local and state economy
- M. We are bigger than our boundaries
  - We do more in programs than our 65,000 acres
- N. Water resources – water rights in the ground
- O. Diversity of park system by type
- P. Staff not afraid of good ideas; it innovates...
- Q. Ties to tourism
- R. Parks Department is not a classic bureaucracy
- S. Concession opportunities
  - New and revisited
- T. Regional diversity of parks (except Maricopa Republic)
- U. We are entrepreneurial
  - Self supporting and have experience
- V. We protect natural resources
- W. We offer health and fun
- X. Current economy – people staying in the state
- Y. Creative funding mechanisms born from adversity
- Z. Venues for events
- AA. Parks exist in perpetuity
- BB. 50 years of existence
- CC. Non-commercial unique destinations
- DD. Every State has State Parks
- EE. Our image in small communities
- FF. The trademark at Kartchner Caverns
- GG. Possibility of research sites on lands (Move to opportunities?)
- HH. Where people make memories
- II. Director is not a gubernatorial appointment (Move to opportunities?)
- JJ. Great survey/research arm of the department
- KK. Gold mine parks that make money
- LL. Concession contract at Kartchner
- MM. Research Grants and recognition as learned, academic
- NN. Much trend data is available

## **WEAKNESSES:**

- A. Historic parks (pain in kiester)
- B. We lack control and predictability of funding
- C. Perceived lack of urgency by appropriated bodies (move to threats?)
- D. Staffing numbers insufficient
- E. Diversity by not thematic relationship between parks
- F. Infrastructure in bad shape
- G. The department is bigger than our park boundaries
- H. Limited opportunities for cost recovery
- I. Retirement tsunami is coming
  - Availability to replace = money and knowledge
- J. Loss of staff knowledge/experience
- K. Concession agreements
  - Outdated
- L. Arizona is physically a big state
- M. Low visitation at some parks
- N. Marketing budget is woeful
- O. No parks making money in Maricopa
- P. No capital funding
- Q. We are working tactically and not strategically; Not utilizing available data and looking forward
- R. High cost of O & M (e.g.: No increase for utilities)
- S. No maintenance budget
  - Not since Heritage Fund passed in 1990
- T. Does the system represent how people recreate in the future?
- U. Fees are too high
- V. Closed parks cost money
- W. Limited resources for marketing
- X. Uncertain future is causing decrease in staff productivity
- Y. Confusing sources of funding hard to understand and to explain
- Z. Insufficient acreage for a state this size ( 4<sup>th</sup> largest in the state)
- AA. Funding sources are very specific
- BB. Dollars not being provided by us for our partners
- CC. Time of year when revenue is collected
- DD. Limited mountain bike trails
  - A potential draw
- EE. We lack updated technology
- FF. We lack a signature event ("We're better than Moab")
- GG. Celebrity endorsements
- HH. Public (and Board) expectations of programs that can't be met due to limit in resources.
- II. Properties we can't open or maintain (San Rafael, Oracle, etc.)
- JJ. Downtrodden image that some staff feel
  - "Feel beaten"



**WEAKNESSES (continued):**

- KK.** Water situation at Kartchner
  - Need to get on Benson's Water pipeline – costs mega-money
- LL.** Inability to charge for services rendered – e.g.: SHPO
- MM** Leveraging properties to build a base
- OO.** Not getting adequate community feedback
- PP.** Unpredictable Hours

**STRATEGIC ISSUES (1<sup>ST</sup> DRAFT CUT) A-S: 9/29/09 T-II: 10/19/09**

- A. Identify and secure sustainable funding for Parks Department operations
- B. Identify and secure sustainable funding for Capital Improvements
- C. Identify and secure sustainable funding for Operations and Maintenance at individual parks.
- D. Identify one-time revenue sources
- E. Implement a staffing model / plan for the next 5 years
- F. Identify and secure a sustainable marketing budget
- G. Getting the word out as to who we are
- H. Develop Comprehensive Plan and identify funding for Parkland acquisition
- I. Identify future trends and implementation to enhance public recreation in parks (Geo-caching, mountain bikes, Wi-Fi)
- J. Identify and secure partnership with regional and local governments and private sector.
- K. Examine each State Park to make sure it can remain viable into the future
- L. Prepare for upcoming concession negotiations.
- M. Attract new labor force
- N. Become the tourism agency in Arizona
- O. Become the History and Cultural Agency in Arizona
- P. Develop themes for park facilities
- Q. Make Arizona State Parks indispensable
- R. Diversify usership
  - Develop plan to attract new niches (we are our parent's park system today)
- S. A park should be an economic engine for the park system **and** local community.
- T. Increase resident visitation
- U. Attract and implement sponsorships
- V. Continue to raise awareness of agency problems and solutions
- W. Transform recommendations and ideas into solutions that are implemented
- X. Keep and enhance/strengthen friends and neutralize enemies
- Y. Find champion(s)
- Z. Become the leader in improving Arizona's quality of life
- AA. Develop and implement health and wellness partnerships
- BB. Make State Parks a center / catalyst for healthy living / public health
- CC. Develop the next generation of recreationists / conservationists
- DD. Define and communicate who we are to all those who need to understand
- EE. Persuade a public relations firm to work pro-bono to a competitive, rock-solid, compelling pitch for ASP
- FF. Identify and secure IGA's with state colleges and community colleges for research and development
- GG. Use Arizona Centennial to raise awareness, opportunities and plight of ASP
- HH. Identify and obtain a diversity of grants
- II. Develop an array of promotions for ASP to bring in revenue and expand visibility especially for lower visited parks.

## **OPPORTUNITIES:**

- A. "The Arizona We Want" – values natural resources
- B. Research capacity from Universities, etc.
- C. Tapping gaming revenue from Tribes (who have an interest in resources)
- D. Morrison Institute Report "Price of Stewardship"
- E. Arizona State Parks Foundation
  - Potential source of resources
- F. Upcoming gubernatorial election – opportunity to talk about State Parks (provides a forum for us; develop issue papers)
- G. Federal dollars – LWCF
  - Keep inviting Obama to State Parks
- H. Task Force members give us entrée into new knowledgeable groups of people
- I. Mineral resources tax- like LWCF (can be mitigation; not just fines)
- J. ASP plight issue is well received in media – opportunity for coverage and attention
- K. Arizona Centennial
- L. ASP as Potential mitigation land/dollars receiver
- M. Statewide Bond issue for parks and infrastructure
- N. Get a portion of roadway dollars from tolls?
- O. Partnerships with Cities/Counties
- P. Potential for naming rights/sponsorships or exclusive branding of Parks/Programs (ie: Pepsi pays; "official water" of ASP)
- Q. Focus on healthy living nationwide
  - State Parks are an affordable solution
  - Partner with hospitals? Mayo Trail?
- R. Maximize revenue from Concessionaires (pay premium; involve them with development)
- S. State Land Reform initiative
  - Lands adjacent to parks mapped
  - Greater funding for ASLD – take less for ASP
- T. Increase working relationship with G & F
- U. Threats to specific parks has increased public interest in State Parks
- V. Increasing population in State ⇒ new blood
- W. Promotional giveaway of park entries (in combo with charities/ partners) "Tap a Vein"
- X. Energy grants for retrofitting facilities
- Y. Change procurement policies to be able to accept free stuff more easily – ie: repair work in exchange for advertising
- Z. Initiative from Task Force report generating money, new contracts and friends
- AA. Recession affected people looking for less costly activities
- BB. State Parks becoming the basis for tourism
  - Get a pro-bono PR firm; get a figurehead spoke person for Parks; make hard sell for tourism energy to promote us
- CC. Bed tax for Parks (small)
- DD. Rights of way sales

**OPPORTUNITIES (continued):**

- EE.** Partnership for Arts and Culture Impact – ( non-Maricopa; could be statewide) – make sure ASP is a recipient
- FF.** If a State Park is the basis of a local economy, create partnership with local Economy Development entity to get us some of CDBG or Industrial Development Authorities money
- GG.** Energy resource identified for tax or license fee (not large)
  - Renewable and non-renewable
- HH.** Strategically cultivate new friends in upcoming legislatures
- II.** Find a way to tap hunters and OHV people – eg: exploring opportunities for use of some Parks land
- JJ.** Explore possibilities of OHV companies paying for staff people at State Parks
- KK.** We do more than our name
- LL.** Film and Ads, Industry opportunities
- MM.** Change for Parks Programs, Partnerships
- NN.** New Director
- OO.** Underwriting opportunities
- PP.** Crisis opportunities, building a stronger foundation, base

## **THREATS:**

- A. Goldwater Institute mentality of privatization
  - Libertarian view ⇒ Parks are luxury or not valid purpose in government
- B. ASP revenues not in ASP's control
- C. Urbanization ⇒ increases crime potential
- D. There's a press to sell assets
- E. Game and Fish – no sense of partnering
- F. Each State Agency looking out for itself
  - No sense of partnering
  - No leadership, rudderless
- G. Heritage Alliance
  - Want the money; not interested in Parks
  - Advocate for grantees; not agency
- H. Technology based experiences
- I. State Parks not a priority for elected offices
  - Lack of urgency
  - No support from legislative leadership
  - No moderates; marginalized Dems
- J. Potential for natural disasters – fires
- K. Challenge of Governor's staff
  - Lack of familiarity with ASP and it's funding / budgeting
  - Not grounded in reality
- L. The economy – lack of improvement = lack of dollars
  - Not seen as an opportunity
- M. Visitation too high at some parks; too low at others - based on resources offered
- N. High cost of doing business right
  - Full cost of partnering
- O. Unreality of volunteers as a solution by itself – liability, counting on them
  - (They can enhance parks)
- P. Undocumented people – encampments
  - Especially where management is curtailed
- Q. Expectations of others still remain high
- R. Tourism downturn
- S. Lack of time for recreation
  - Visits don't happen or people are spending less time when they do
  - Over-scheduling of kids
- T. Many residents haven't visited a State Park
- U. Increased Park destruction if can't adequately patrol closed Parks
- V. Time ⇒ budget issues need to be resolved soon; can't hire or replace
- W. Air + water quality deterioration impacts Parks
- X. Union Pacific RR switching yard
- Y. No visible external champion
  - Lack of statewide-known leadership

**THREATS (continued):**

- Z.** Further budget cuts
- AA.** No legislative understanding of what things cost
- BB.** No public understanding of State Government (including Parks)
- CC.** Multiple fund sources/tasks can't be described easily to anyone
  - We are incomprehensible to explain
- DD.** Our pass throughs / grant programs are a sense of entitlement to some recipients
- EE.** We do more than our name
- FF.** Hostility from some legislators

## Functions

1. Park Operations and Maintenance:  $9+9+9+9+8= 44$
2. PIO  $3+6+5+7+5 = 26$
3. Park Resource Protection  $2+8+7+1+6 = 24$
4. Admin Support  $4+8+2+9= 23$
5. Legislative Outreach  $1+7+4+6+2 = 20$
6. Park/Facility Development  $8+5+6 = 19$
7. Marketing/Research  $5+4+1+5+3 = 18$
8. Grants Awards  $7+8+1= 16$
9. SHPO  $6+2+7= 15$
10. Planning  $3+4= 7$
11. Training  $3+2= 5$
12. Trails 4
13. IT/computers  $1+3 = 4$
14. OHV
15. Environmental/Cultural Education
16. Growth/Acquisitions

Priorities set October 2009

**Strategic Issues – Grouped**  
**10-29-09**

***“Future Identity”***

Making ASP indispensable  
Develop the next generation of recreations/conservations  
Become the leader in improving Arizona’s quality of life  
Develop themes for park facilities  
Make ASP a center/catalyst for healthy living/public health  
Develop and implement health and wellness partnerships  
Identify future trends & implementation to enhance public recreation  
Diversify usership – develop and attract new niches  
Develop comprehensive plan and identify funding for parkland acquisition  
Enhance what we do well

***“Finances”***

Increase resident visitation  
Develop an array of promotions to enhance revenue and visibility  
Evaluate each park for future viability  
Identify one-time revenue sources  
Identify and obtain a diversity of grants  
Identify and secure sustainable funding for capital funding  
Identify and secure sustainable funding for operations and maintenance  
Attract and implement sponsorships

***“Marketing and Awareness”***

Define and communicate who we are to those who don’t know  
Persuade a PR firm to work pro bono to develop compelling pitch for ASP  
Keep and enhance friends and neutralize enemies  
Identify and secure sustainable funding for marketing  
Get the word out as to who we are  
Use Centennial to raise awareness, opportunities and plight of ASP  
Find champion(s)  
Continue to raise awareness of agency problems and solutions

***“Resource (Natural and Cultural) Conservation”***

***“Capitalize on New Economy/Recession”***

***“Partnerships”***

Identify and secure IGAs with colleges for research and development  
Park should be economic engine for ASP and local community



Reengage/Redefine partnerships, new friends  
Identify and secure partnership with regional and local governments and private  
4sector

***"Human Resources"***

Attract new labor force  
Implement a staffing model/plan for the next 5 years

***"Increasing Agency Scope"***

Become the tourism agency in Arizona  
Become the history and cultural agency in Arizona

ARIZONA STATE PARKS

Mission     Managing and conserving Arizona’s natural, cultural and recreational resources for the benefit of the people, both in our Parks and through our Partners.

Vision (proposed):   Arizona State Parks is indispensable to the economies, communities and environments of Arizona.

Objectives				
1.	2.	3.	4.	5.
a.	a.	a.	a.	a.
b.	b.	b.	b.	b.
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## Definitions of Budget Terms

- **Appropriation** - Legislative authorization to expend monies for a specific purpose. Appropriated Funds are those funds where spending is authorized by annual fiscal year Legislative budget bills.
- **Non-Appropriated Funds** - The Board's authority to expend non-appropriated funds is contained in Arizona Revised Statutes. Non-appropriated funds available to agencies are reviewed by the Legislature.
- **Fund Offset** - An authority designation by the Legislature to use a replacement funding source, typically to replace General Fund monies.
- **Excess Balance Transfer (EBT)** - A "Sweep" or a draw from a fund's cash balance to the State's General Fund.
- **Fund Reduction and Transfer (FRAT)** - A reduction of expenditure authority, and in the case of revenue generating funds- with a corresponding cash transfer to the State's General Fund.
- **Backfill** - A legislatively approved mechanism that allows transfer of cash from one Arizona State Parks fund to another Arizona State Parks fund in order to comply with a legislated transfer or reduction. Requires State Comptroller approval and coordination with Governor's Budget Office, and a review by the Joint Legislative Budget Committee.

## AGENCY BUDGET OVERVIEW

Arizona State Parks (ASP) derives its operating, capital, and grant monies from a variety of funding sources. Some of the funds are appropriated by the Legislature ("Appropriated Funds"), and some of the funds are appropriated to the Board on an ongoing basis ("Non-Appropriated Funds"). Additionally, Arizona State Parks receives a Federal apportionment to support the duties of the State Historic Preservation Office. The Governor, acting as the single-point-of-contact for Arizona, accepts all federal funds on behalf of State agencies. Federal Funds are not appropriated by the Legislature as Arizona State Parks classifies these as "Federal Funds" for accounting and auditing purposes. A definition of each fund, including sources and uses, can be found in the following sections of this report.

Arizona State Parks follows instructions prescribed by the Governor's Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislative Budget Committee (JLBC) for appropriated funds. Similar methods are used for non-appropriated funds. The opportunities for funding, improved efficiency measures, customer service, and good business practices are often greater in the non-appropriated funds.

Traditionally, state government budgeting in Arizona can be described as incremental. An incremental budget usually begins with a budget base and is adjusted each fiscal year for such items as rent, risk management, employee benefits, and pay packages. In recent years starting in FY 2009 through FY 2011, baseline budgets for Arizona State Parks, and most Arizona state agencies, have been significantly reduced, including the elimination of agency General Funds and significant transfers of Non-Appropriated Funds to the state General Fund.

The agency budget is split into three major Programs: Parks, Partnerships and Administration.

- The Parks Program includes the Development, Operations, and (through FY 2010) Resources Management Sections. For FY 2011, Resources Management has been moved into the Partnerships Program.
- The Partnerships Program includes the State Historic Preservation Office, the Public Information Office, and (through FY 2010) the Grants Section and the Research and Marketing Section. For FY 2011, the new Resources and Public Programs Section will combine the three Sections previously designated as Resources Management, Grants, and Research and Marketing.
- The Administration Program includes the Director's Office, Administrative Services Division, and Agency Support. For FY 2011, the agency-wide Training, Computer Support, Printing and Marketing Plan budgets will be included under Agency Support, along with the traditional budgets for ADOA Building Rent, Risk Management, and Motor Pool. This change will serve to emphasize the agency-wide nature of these budgets, rather than assigning them to one specific Division within the agency.

## Arizona State Parks Funding Sources

<b>Appropriated Funds</b>
• General Fund (Eliminated from ASPB in FY2009)
• Enhancement Fund (Gate Fees)
• Law Enforcement and Boating Safety Fund (LEBSF)
• Reservation Surcharge Fund
<b>Non-Appropriated Funds (Voter Protected) – including earned interest</b>
• Land Conservation Fund
• \$18 Million State Land Acquisition Grants
• \$ 2 Million for Agriculture Conservation
<b>Non-Appropriated Funds (Special Funds) – including earned interest</b>
• Heritage Fund (Eliminated in FY2010. Law and funding end June 30,2011)
• State Lake Improvement Fund
• Off-Highway Vehicle Recreation Fund
• Partnerships Fund
• Publications Fund
• State Parks Fund (Donations)
• Arizona Trail Fund
<b>Federal Funds</b>
• Federal Recreational Trails Fund
• Federal Historic Preservation Fund
• Federal Land and Water Conservation Fund
• Federal Fund – Other Programs
<b>Agency Budgeted Organizational Units Using Operating Funds</b>
• <b><u>Parks Program</u></b> – Operations, Development
• <b><u>Partnerships Program</u></b> – Resources and Public Programs, Public Information Office, State Historic Preservation Office
• <b><u>Administration Program</u></b> – Director's Office, Administrative Services, Agency Support

## OVERVIEW OF FUND SOURCES

A total of 13 different funding sources comprise the revenue for Arizona State Parks. In FY 2011, revenues are estimated to be approximately \$45.1 million compared to \$54.4 million in FY 2010 and \$64.9 million in FY 2009. Each fund has its own set of rules for expenditures and is affected by different factors in estimating future revenues. These funds are usually classified by source as one of three groups, appropriated, non-appropriated and federal.

Appropriated funds are those funds appropriated by the Legislature. These funds include the General Fund (FY 2009 and prior) and other Appropriated Funds. Non-appropriated funds are those funds appropriated to the Board on an ongoing basis. Additionally, Arizona State Parks receives a Federal apportionment to support the duties of the State Historic Preservation Office.

The distinction between each funding source is important. Non-appropriated funds, under control of the Board, are dependent upon changes in revenue. Without an increase in revenue, the Board cannot increase an operating budget unless unspent funds are available from previous fiscal years. Likewise, with the exception of the General Fund, the Board may receive authority to expend Appropriated Funds but will be unable to exercise this authority if revenues fall short of projections.

The agency is assuming more and more risk in its funding for operations. In FY 2002, the General Fund was 47% of operating funds available. In FY 2006, this percentage dropped to 10.3%. In FY 2007, it increases to 27%. The General Fund increased again to 31% in FY 2008 and then to 17% in FY 2009. State Parks received no General Fund appropriations for FY 2010 or FY 2011 operations. Therefore, most budget discussions begin with revenues. However, this discussion is becoming more complicated as the agency assumes more risk in its revenue structure.



## ARIZONA STATE PARKS FUND DESCRIPTIONS

### APPROPRIATED FUNDS

#### **Enhancement Fund**

The Enhancement Fund derives its revenues from park user fees and concession sales. Beginning in FY 1992, one-half of the Enhancement Fund became subject to Legislative appropriation for the operations of State Parks. The other half of the fund, known as the Enhancement Fund Acquisition and Development component, is earmarked for the lease-purchase payment of Tonto Natural Bridge State Park (\$372,700 in FY 2009), the acquisition and development of Kartchner Caverns State Park and other capital development projects as approved by the Board and the Joint Committee on Capital Review.

Beginning in FY 2004, all new Enhancement Fund revenues have been entirely appropriated for operations with the exception of the annual Tonto Lease Purchase payment. In FY 2011, this exception will not be present.

#### **Law Enforcement and Boating Safety Fund (LEBSF)**

LEBSF provides grants to county governments for boating safety personnel, boating law enforcement equipment and other related activities. Grant applications are reviewed by AORCC and approved by the Board. Revenue is derived from 46.75% of the watercraft license tax collected by the Game and Fish Department.

Laws 1999 Chapter 177 increased the fee for non-resident owners of watercraft on September 1, 1999. An annual footnote in the General Appropriations Act allows all cash in the fund to be disbursed annually. No State Park operating expenses have been permitted from this fund, until recent legislation affecting FY 2011. Annual LEBSF revenues have gradually increased; FY 2009 revenues of \$2.35 million were the highest since the inception of the fund in FY 1987.

#### **Reservation Surcharge Fund**

The Reservation Surcharge Fund receives fees from the use of the reservation system. Currently, only tours at Kartchner Caverns State Park charge a fee for use of the system, which is \$3.00 per ticket. An automated reservation system is being evaluated to expand to other state parks. Although the fund is appropriated, all reservation revenues are appropriated to state parks. However, expenditures above the annual appropriation are required to be approved by the Joint Legislative Budget Committee (JLBC). Prior to FY 2007, monies in excess of \$12,500 at the end of the year revert to the General Fund. For FY 2007 and future fiscal years, any ending cash balance in excess of \$75,000 reverts to the General Fund.

The expansion of the number of tours at Kartchner Caverns State Park increased revenues in FY 2004. The number of tours increased as a result of opening the Big Room. Further increases were realized in FY 2006 as the Kartchner Caverns

State Park Internet reservation system came online and in FY 2007 as the result of a coordinated effort between operations and marketing to increase visitation. A system-wide campground reservation system is being targeted for implementation in mid-FY 2011.

## **NON-APPROPRIATED FUNDS**

### **Partnerships Fund**

Laws 1998, Chapter 242, eliminated three existing funds, and combined them into the newly established Partnerships Fund. The fund was established to allow the Board to collect and expend monies related to:

- Non-Federal Grants to State Parks: Formal grants awarded to Arizona State Parks by State, Regional, and Local governmental entities.
- Non-Federal Inter-Governmental Agreements: Receipts from non-Federal governmental entities through execution of Inter-Governmental Agreements (IGAs), and Inter-Service Agreements (ISAs – Arizona State agencies).
- Land and Water Conservation Fund Surcharge Account (LWCF SC):

A surcharge is assessed by State Parks to recipients of the Federal LWCF grant program. The surcharge may not exceed 10% of the cost of the total project. The surcharge amount is currently set at 10% of the grant amount. Monies are set aside to fund program administrative staff and support for the Federal LWCF program. (See Federal Funds for a description of the Federal LWCF grant program.)

### **State Parks Fund (Donations Fund)**

In accordance with ARS § 41-511.11 and 41-511.22, State Parks may receive gifts, grants and other donations for purposes of carrying out the duties and objectives of the Board. The Director or his designee may use the funds in accordance with the contributor's request. In FY 2003, ASP was the beneficiary of a gift of \$242,925. Plans for the expenditures of this specific donation will be presented separately to the Board, and are not part of the current FY 2011 or FY 2012 budget request to the Board.

Receipts to the Donations Fund include contributions from all non-governmental entities, whether individuals, corporations, or non-profit organizations. Each state park, and several Arizona State Parks programs, has one or more donation account within the fund. Contributions received for specific and significant scope items are assigned to additional designated accounts.

### **Arizona State Parks Heritage Fund**

In November 1990, the citizens of Arizona approved a ballot initiative establishing the Arizona Heritage Fund. This law provides up to \$10 million annually each to Arizona State Parks and Arizona Game and Fish from the proceeds of the Arizona State Lottery. These Heritage Fund dollars provide opportunities for the public to enjoy outdoor recreation, to help preserve natural and cultural resources, and to promote environmental education. The State

Parks Heritage Fund \$10 million annual principal is available for the following purposes:

Local, Regional, and State Parks	35%
Trails	5%
Historic Preservation	17%
State Parks Acquisition and Development	17%
Natural Areas Acquisitions	17%
Natural Areas Operation and Maintenance	4%
Environmental Education	5%
Total	100%

Because many of the State Parks Heritage Fund dollars are allocated to pass-through grants, monies for the purposes stated above remain on deposit with the Board until the grantee qualifies to receive grant funds. Also, funds allocated to State Parks capital outlay projects remain on deposit until project scope items are completed and paid out as contracted. The interest earned on the deposited funds is used to support the administration of both the grant and capital outlay programs as well as the Environmental Education and Natural Areas portions of the State Parks Heritage Fund programs.

**Heritage Fund (Principal)** - The State Parks Heritage Fund principal is fixed by statute at a maximum of \$10,000,000 per year if Lottery revenues reach a certain level. In FY 2010, \$3.9 million of State Parks Heritage Fund revenues have been diverted to the General Fund. In FY 2011, all revenues will be diverted to the General Fund. Current legislation repeals the Heritage Fund statutes after June 30, 2011, and all remaining cash in the fund after that date will revert to the General Fund.

• **Heritage Fund (Interest)** - The interest earned through FY 2011 will decrease substantially along with the decreased cash balance in the fund, due to diversion of Lottery revenues, legislated fund sweeps and transfers to other State agencies, and cash transfers to other State Parks funds (backfills) to offset sweeps to those funds.

#### **Land Conservation Fund**

In November 1998, Arizona voters approved Proposition 303, which annually appropriates \$20 million from the General Fund to the Land Conservation Fund in each of FY 2001 through 2011. Proposition 303, codified as A.R.S. § 41-511.23, directs that the appropriation be used to provide grants to purchase state trust lands for conservation purposes and up to 10% may be used for grants to landowners or lessees of public lands for conservation based management alternatives (CBMA). Only acquisition grants require a match by the applicant. A.R.S. § 41-511.23 further stipulates that beginning in FY 2001, the costs of administering the Land Conservation Grant Program be paid with from interest on monies in the fund. These interest monies are not subject to appropriation.

Laws 2003, Chapter 252 creates the Livestock and Crop Conservation under the Department of Agriculture to replace the CBMA program and appropriates \$2

million annually from the Land Conservation Fund to the Livestock and Crop Conservation Fund. Previously, the Department of Agriculture assisted in the management of the CBMA program through an Inter-Governmental Agreement. Laws 2003, Chapter 252 now provides funding to the Department of Agriculture for the administration of the new program.

•**Land Conservation Fund (Interest Account)** - The LCF Grant account receives \$20 million annually from the General Fund for grants. A maximum of \$500,000 of the interest earned on the fund balance is dedicated to the administration of the Growing Smarter Program. Interest earnings received during FY 2010 has decreased substantially from prior year levels, due to the decrease in the federal funds target rate. Current balance in the Grant (principal) account is \$104.9 million, with FY 2010 interest earnings estimated at \$1.6 million.

For FY 2009, FY 2010 and FY 2011, all interest earnings in excess of the \$500,000 for Program Administration have been appropriated to the ASP Board for the operation of Arizona State Parks (most recently, Laws 2009, 3rd special session, BRB HB 2014). These appropriations are intended to offset a portion of the decrease and elimination of the General Fund support for agency operations. Prior to FY 2009, annual interest earnings in excess of \$500,000 were reverted at the end of each fiscal year from the Interest Account to the Grant Account.

HCR 2001, passed in the 2010 7<sup>th</sup> Special Session, proposes to sweep all LCF grant and interest cash balances into the state General Fund, thereby eliminating all funding for the Growing Smarter program and the offset appropriation for agency operations. The proposition will be put before voters in November 2010.

#### **Arizona Trail Fund**

Senate Bill 1468 created the Arizona Trails Fund and added statutory language in ARS § 41.511.15. Monies in the fund, consisting of appropriations and donations, are for the sole purpose of maintaining and preserving the Arizona Trail. The Arizona Trail extends approximately 800 miles between the southern and northern borders of the state.

Revenues to the fund come from an annual General Fund appropriation. However, no appropriation was made for FY 2010 or FY 2011.

#### **Off-Highway Vehicle Recreation Fund**

In 1989, the Legislature enacted S.B. 1280 establishing an Off-Highway Vehicle (OHV) program in Arizona. In 1991, the Legislature amended this legislation and provided for .0055 or .55% of motor vehicle fuel taxes to be paid into the OHV Fund. Thirty percent of the fuel tax revenues were transferred to the Game and Fish Department. The remaining 70% of the revenues to the OHV Fund were administered by the Board as follows:

- Up to 18% for planning and administration of the program;
- To establish a facility development program based upon the priorities of the plan; and

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- To provide a matching grants program for funding OHV-related law enforcement, informational and environmental education programs, mitigation of environmental damage, facility development, land acquisition and construction of OHV facilities.

The Board determines the allocations of the grant and aid program funds based upon recommendations of OHVAG and the OHV Plan. From FY 2003 through FY 2011, \$692,100 has been appropriated from OHV program funds for state park operations to offset earlier permanent decreases to the agency's General Fund appropriation.

In 2008, statute was changed to reflect a modified off-highway vehicle decal program (ARS § 28-1176 and ARS § 28-1177) providing additional monies for project purposes but altering the agency allocation ratios. Allocations to the separate agencies were amended to: 35% to Game and Fish, 5% to the State Land Department, and 60% to Arizona State Parks (a net 14% decrease in revenue allocation). The percentage of State Parks OHV revenue allocated for program administration was reduced from 18% to 12%.

With the inception of the decal program in January of FY 2009, revenues increased to \$2.5 million in FY 2009 from the FY 2008 level of \$2.1 million. Current FY 2010 and FY 2011 revenue estimates are both at \$2.5 million.

#### **Publications & Souvenirs Fund**

In accordance with ARS § 41-511.21, State Parks may sell or operate concessions selling publications and souvenirs. In FY 2010, three FTE positions and purchases of resale items are funded from the revenues derived from this merchandising activity. Fund sweeps from FY 2009 through FY 2011 have substantially reduced the fund cash balance, which is required to sustain both merchandise purchases and retail program operations. The closure or lease of several historic parks has eliminated the agency's best venues for generating revenues to this fund. FY 2009 revenues to the fund were \$520,000. FY 2010 revenues are estimated at \$475K. Estimated FY 2011 revenues of \$250,000 will be reduced by a legislated \$60,000 fund sweep.

#### **State Lake Improvement Fund**

SLIF consists of a portion of the motor vehicle fuel taxes, a portion of monies from the watercraft license tax, and interest earned on the fund. The fund is administered by the Board for staff support to plan and administer the SLIF and LEBSF (Law Enforcement and Boating Safety Fund) programs, to fund design and engineering for acquisition and development projects that enhance boating opportunities, and to purchase watercraft, in conjunction with other recreation plans of the Board. The percentage of gas tax deposited with SLIF is adjusted every three years.

Operating budgets have historically been based upon 11.8% of the annual revenue, as stated in the Memorandum of Understanding (MOU) between the State Parks Board and AORCC and based on historical funding levels. The

remaining 88.2% is split according to the MOU with 70% going to competitive grants and 30% to State Parks for qualified projects.

However in recent years these percentages have changed to provide operational monies for State Parks.

The fuel tax allocation percentage for FY 2007 through FY 2009 increased from 1.4514% to 1.7157%, an 18.2% increase. With revenues near \$10 million annually, the legislature swept \$4.1 million in FY 2008 and \$16,820,300 in FY 2009 from the fund, effectively eliminating both the grant programs and capital project programs.

The three-year adjustment cycle was completed in FY 2010. Historically, the adjustment from the watercraft study tends to overcorrect, going up one cycle and decreasing the next cycle. In FY 2010, the watercraft percentage dropped dramatically to 1.0105%, a decrease of over 41% from the previous year. New estimates of income for FY 2010 through FY 2012 are now \$4,981,600 based upon this lowered fuel tax percentage and lowered interest revenue. This will have a significant impact to agency and SLIF program operations through FY 2012.

## **Federal Funds**

### **Historic Preservation Fund**

The Historic Preservation Fund (HPF) is an annual federal grant to the State of Arizona awarded by the National Park Service (NPS). Funds are appropriated and apportioned annually to the States by Congress. Monies are granted on a federal fiscal year basis (October through September) and must be matched with non-federal funds (60% fed / 40% non-fed). The State Historic Preservation Office (SHPO) administers this grant on behalf of the state. Up to 90% of each annual apportionment may fund the operation of the SHPO. At least 10% is passed through to Certified Local Governments for historic preservation planning and projects. The program is reimbursement-only at quarterly intervals, and requires at least six months advance agency funding for cash flow. The FFY 2010 total apportionment is \$849,450 – an increase of approximately \$70,000 from prior year.

The federal monies may be used for:

- 1) Compliance with State and Federal cultural resource laws
- 2) Survey, planning and protection of historic and pre-historic sites
- 3) Determination of eligibility for placement on the National and Arizona Registers of Historic Places.
- 4) Certified Local Government (CLG) assistance in preservation planning and ordinance development (10% of federal funding is allocated to the CLG's).
- 5) Preservation awareness programs
- 6) A matching grants program
- 7) Historic Property Tax Incentive Program
- 8) Administration of the above programs and support activities.

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The NPS provides guidelines for various program costs that are eligible for reimbursement, and the program's performance is evaluated by NPS. Within these broad guidelines, the Board may determine how to allocate this fund.

Through FY 2009, the match requirement for the HPF program has been met through: funding three positions in the State Historic Preservation Office (SHPO) from the State Parks general fund appropriation; providing general program support and administration to the SHPO from the State Parks agency operating budget; expenditures made from the Heritage Fund Historic Preservation programs; and expenditures for archaeological compliance programs made by the Arizona Department of Transportation.

During FY 2010, the three formerly General Fund positions within SHPO were budgeted from Heritage Fund Interest. During FY 2011, funding for those positions will shift to the HPF grant itself. The required match funding will continue to be met through the remaining sources.

#### **Recreational Trails Program Fund (RTP)**

The Recreational Trails Program (RTP) provides funds to the States to develop and maintain recreational trails and trail-related facilities for both nonmotorized and motorized recreational trail uses. The Recreational Trails Program (RTP) was authorized in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005. The RTP is the successor to the original National Recreational Trails Fund program (also known as NRTFA or the Symms Act), which was authorized by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21) of 1998.

The 109<sup>th</sup> Congress enacted the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). It authorizes the Recreational Trails Program (RTP) (from 2005-2009) as a Federal-aid program, and codifies it in Federal statutes under section 206 of title 23, United States Code (23 U.S.C. 206). The apportionment for FFY 2010 funds has been authorized under a continuing resolution at the FFY 2009 amount.

Arizona State Parks is the agency responsible for administering RTP funds in Arizona. Forty-four percent (44%) of Arizona's RTP funds are available for competitive motorized trails project grants, while another forty-four percent is available for non-motorized trail purposes. For the Motorized portion of these funds, Arizona's competitive grant program provides funds for motorized trail uses including: snow-mobiling, off-road motorcycling, all-terrain vehicle riding, four-wheel driving, support facilities, and user information such as maps and brochures containing safety and environmental protection messages.

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**Land and Water Conservation Fund (LWCF)**

The Land and Water Conservation Fund was established by Congress through Public Law 88-578, as amended and receives its revenue primarily from the Outer Continental Shelf oil and gas leasing.

This program provides federal funds for outdoor recreation and open space acquisition and development. Prior to FY 2009, thirty percent of the revenues were directed to projects in State Parks; the remainder was awarded as competitive grants to municipalities, counties, and Indian tribes. On August 3, 2009, the Board approved to allocated one hundred percent of the LWCF of the revenue to State Parks capital projects.



## FY 2010 BUDGET REVIEW – HISTORIC BUDGET REDUCTIONS

Arizona State Parks received historic reductions to its operating and capital budgets during the three budget years of FY 2009 through FY 2011. Significant reductions were mandated by the Legislature in FY 2009 with cuts scheduled for FY 2010. The December 2009 5<sup>th</sup> Special Session imposed additional budget reductions for FY 2010. The March 2010 7<sup>th</sup> Special Session enacted further budget reductions for FY 2010 and FY 2011. The following table shows a summary by fiscal year of both fund sweeps and spending reductions that revert Arizona State Parks funds to the State General Fund. At present, the legislated fund sweeps total \$71.5 million over these three fiscal years.

### Arizona State Parks Legislative Transfers to State General Fund: FY 2009 – FY 2011

<u>Fund</u>	ASP: FY 2009 - 11 Sweeps to State General Fund			
	FY 2009	FY 2010	FY 2011	Total
General Fund	\$5,112,200	\$0	\$0	\$5,112,200
Reservation Fund	\$48,900	\$96,600	\$96,600	\$242,100
State Lake Improvement Fund	\$16,820,300	\$4,964,000	\$873,500	\$22,657,800
Law Enforcement Boating Safety	\$500,000	\$0	\$0	\$500,000
Enhancement Fund	\$5,391,800	\$5,487,100	\$1,954,800	\$12,833,700
Off-Highway Vehicle Fund	\$1,692,900	\$584,100	\$861,900	\$3,138,900
Heritage Fund	\$4,978,100	\$11,390,550	\$10,000,000	\$26,368,650
Partnerships Fund	\$5,900	\$252,100	\$68,300	\$326,300
Donations Fund*	\$8,300	\$213,900	\$19,700	\$241,900
		(\$213,900)		(\$213,900)
Publications Fund	\$11,200	\$202,900	\$60,200	\$274,300
<b>Totals</b>	<b>\$34,569,600</b>	<b>\$22,977,350</b>	<b>\$13,935,000</b>	<b>\$71,481,950</b>
* Original FY 2009 5th Special Session sweep was reversed in the 2010 7th Special Session				

The elimination of the agency's General Fund appropriation in FY 2009 and the cumulative sweeps to the Enhancement Fund and State Lake Improvement Fund, which combine to fund park system and agency-wide operations, substantially impaired the ability to fund the ongoing operations of all state recreational and historic parks.

To meet with these severe cuts, the Arizona State Parks Board responded with three policy decisions during FY 2010:

1. Following the December 2009 5<sup>th</sup> Special Session, the Board decided at January 15, 2010 meeting to close 13 state parks in three stages by the end of FY 2010. That plan left only 9 Arizona State Parks open at the beginning of FY 2011. Board actions at subsequent meetings have reduced the total number of park closures as a result of Board approved Intergovernmental Government Agreements with partners to operate parks.
2. Cancellation of Heritage Fund Grants and Heritage Fund capital projects totaling \$9.1 million in order to comply with Heritage Fund sweeps, offset \$750,000 of FY 2010 operating budget reductions, and transfer cash into the Enhancement Fund and State Lake Improvement Fund (backfills) to ensure funding for park operations starting in FY 2011.
3. Encouraging ASP Staff to work with communities to provide local financial partnership and support of those parks that were scheduled to close. There was generally a significant response from local communities that support of their parks.
4. Use only FY 2010 revenues for FY 2010 on-going agency operations. Expenditures from operating cash balances forward – “one-time funding” – are restricted to purchases that increase future revenue or decrease future costs.

# Arizona State Parks Revenues by Fund

Fund	FY08	FY09	Estimate FY10	Estimate FY11	Estimate FY12
<b>Appropriated Funds</b>					
General Fund	\$ 7,741,700	\$ 3,485,200	\$ -	\$ -	\$ -
% ^ from Prior Fiscal Year	9.96%	-54.98%	-100.00%	0.00%	0.00%
Enhancement Fund	\$ 9,639,435	\$ 9,534,152	\$ 9,050,000	\$ 9,050,000	\$ 9,050,000
% ^ from Prior Fiscal Year	1.46%	-1.09%	-5.08%	0.00%	0.00%
Reservation Surcharge Revolving Fund	\$ 341,239	\$ 305,940	\$ 335,800	\$ 340,000	\$ 340,000
% ^ from Prior Fiscal Year	2.13%	-10.34%	9.76%	1.25%	0.00%
Law Enforcement & Boat Safety Fund	\$ 2,240,088	\$ 2,345,304	\$ 2,091,000	\$ 2,000,000	\$ 2,000,000
% ^ from Prior Fiscal Year	-2.29%	4.70%	-10.84%	-4.35%	0.00%
<b>Federal Funds (Non-Appropriated)</b>					
Land & Water Conservation Fund	\$ 1,531,191	\$ 1,163,993	\$ 1,427,300	\$ 834,500	\$ 518,919
% ^ from Prior Fiscal Year	186.12%	-23.98%	22.62%	-41.53%	-37.82%
Historic Preservation Fund	\$ 657,984	\$ 720,342	\$ 847,300	\$ 849,450	\$ 849,450
% ^ from Prior Fiscal Year	-2.43%	9.48%	17.62%	0.25%	0.00%
Trans. Equity Act - Recreational Trails Fund	\$ 1,716,409	\$ 1,962,776	\$ 2,561,200	\$ 3,203,750	\$ 3,203,750
% ^ from Prior Fiscal Year	31.72%	14.35%	30.49%	25.09%	0.00%
All Other Federal Programs	\$ 93,390	\$ 151,845	\$ 117,040	\$ 100,000	\$ 100,000
% ^ from Prior Fiscal Year	56.37%	62.59%	-22.92%	-14.56%	0.00%
<b>Other Non-Appropriated Funds</b>					
State Lake Improvement Fund	9,222,164	8,700,225	6,666,900	4,900,000	4,900,000
% ^ from Prior Fiscal Year	-8.54%	-5.66%	-23.37%	-26.50%	0.00%
Off-Highway Vehicle Fund	1,946,090	2,508,520	2,548,000	2,500,000	2,500,000
% ^ from Prior Fiscal Year	-7.05%	28.90%	1.57%	-1.88%	0.00%
Heritage Fund (includes interest)	\$ 11,939,053	\$ 10,697,795	\$ 6,411,900	\$ 10,000	\$ -
% ^ from Prior Fiscal Year	-0.15%	-10.40%	-40.06%	-99.84%	-100.00%
Land Conservation Fund (includes interest)	\$ 26,258,467	\$ 22,213,096	\$ 21,634,800	\$ 20,455,000	\$ -
% ^ from Prior Fiscal Year	1.32%	-15.41%	-2.60%	-5.45%	-100.00%
Arizona Trail Fund	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -
% ^ from Prior Fiscal Year	-50.00%	0.00%	-100.00%	0.00%	0.00%
Donations Fund	\$ 300,846	\$ 192,701	\$ 56,100	\$ 53,900	\$ 53,900
% ^ from Prior Fiscal Year	8.22%	-35.95%	-70.89%	-3.92%	0.00%
Partnerships Fund	\$ 324,500	\$ 250,200	\$ 214,600	\$ 617,700	\$ 617,700
% ^ from Prior Fiscal Year	30.37%	-22.90%	-14.23%	187.84%	0.00%
Publications/Souvenirs Revolving Fund	\$ 605,089	\$ 520,663	\$ 475,100	\$ 250,000	\$ 250,000
% ^ from Prior Fiscal Year	1.74%	-13.95%	-8.75%	-47.38%	0.00%
<b>All Funds</b>	<b>\$ 74,682,645</b>	<b>\$ 64,877,752</b>	<b>\$ 54,437,040</b>	<b>\$ 45,164,300</b>	<b>\$ 24,383,719</b>
Data prior to FY 2006 does not include IGAs, Non-federal grants, or Other Federal Programs.	3.93%	-13.13%	-16.09%	-17.03%	-46.01%

Appropriated	19,962,462	15,670,596	11,476,800	11,390,000	11,390,000
Federal	3,998,974	3,998,956	4,952,840	4,987,700	4,672,119
Non-Appropriated	50,721,209	45,208,200	38,007,400	28,786,600	8,321,600
	74,682,645	64,877,752	54,437,040	45,164,300	24,383,719

15B

Arizona State Parks  
Annual Revenue and Operating Costs per Visitor

FY 2009 ACTUALS	x (A) Revenue (User Fees)	x (B) Revenue Other	x (C) (A + B) Revenue Total	x (D) Operating Costs	(E) (C-D) Net Revenue/(Cost)	x (F) Visitors	(G) (A/F) Revenue Per Visitor (User Fees)	(H) (C/F) Revenue Per Visitor (Total)	(I) (D/F) Operating Cost Per Visitor	(J) (H-I) Net Revenue/(Cost) Per Visitor
Alamo	\$318,324		\$318,324	\$304,361	\$13,963	68,563	\$4.64	\$4.64	\$4.44	\$0.19
Boyce Thompson	12,000		12,000	123,881	(111,881)	73,767	0.16	0.16	1.68	(1.52)
Buckskin	509,738	57,287	567,025	606,740	(39,715)	95,379	5.34	5.94	6.36	(0.42)
Catalina	538,751		538,751	376,627	162,124	184,080	2.93	2.93	2.05	0.88
Catalina Cove	396,686	28,101	424,787	405,174	19,613	85,794	4.62	4.95	4.72	0.23
Dead Horse	614,279		614,279	688,793	(74,514)	165,728	3.71	3.71	4.16	(0.45)
Fool Hollow	408,920	384	409,304	466,128	(56,824)	100,384	4.07	4.08	4.64	(0.57)
Fort Verde	33,818		33,818	205,775	(171,957)	16,065	2.11	2.11	12.81	(10.70)
Homolovi	51,193	103	51,296	274,911	(223,615)	17,145	2.99	2.99	16.03	(13.04)
Jerome	94,152	599	94,751	229,239	(134,488)	35,393	2.66	2.68	6.48	(3.80)
Kartchner	2,308,087	542,932	2,851,019	2,322,875	528,144	143,390	16.10	19.88	16.20	3.68
Lake Havasu	834,680	18,089	852,769	668,841	183,928	337,692	2.47	2.53	1.98	0.55
Lost Dutchman	266,772	36	266,808	276,353	(9,545)	98,802	2.70	2.70	2.80	(0.10)
Lyman Lake	132,680		132,680	345,509	(212,829)	37,130	3.57	3.57	9.31	(5.73)
McFarland	700		700	152,471	(151,771)	642	1.09	1.09	237.49	(236.41)
Oracle	18,140		18,140	271,402	(253,262)	11,547	1.57	1.57	23.50	(21.94)
Patagonia Lake	594,707	54,663	649,370	763,243	(113,873)	203,724	2.92	3.19	3.75	(0.56)
Picacho Peak	205,592	79	205,671	371,239	(165,568)	63,506	3.24	3.24	5.85	(2.61)
Red Rock	168,329	460	168,789	358,514	(189,725)	68,394	2.46	2.47	5.24	(2.76)
Riordan	110,402	120	110,522	227,899	(117,377)	25,406	4.35	4.35	8.97	(4.62)
Roper Lake	270,673	55	270,728	453,589	(182,861)	90,852	2.98	2.98	4.99	(2.01)
San Rafael	0		0	176,617	(176,617)		N/A	N/A	N/A	N/A
Slide Rock	617,485	9,724	627,209	390,839	236,370	254,249	2.43	2.47	1.54	0.93
Tombstone	157,706	20	157,726	210,890	(53,164)	48,344	3.26	3.26	4.36	(1.10)
Tonto	172,249	384	172,632	296,854	(124,222)	65,831	2.62	2.62	4.51	(1.89)
Tubac	28,685		28,685	191,696	(163,011)	10,984	2.61	2.61	17.45	(14.84)
Yuma QM Depot	24,935	141,474	166,409	260,730	(94,321)	10,730	2.32	15.51	24.30	(8.79)
Yuma Prison	191,596	1,159	192,755	256,992	(64,237)	65,061	2.94	2.96	3.95	(0.99)
<b>Total FY 2009</b>	<b>\$9,081,280</b>	<b>\$855,669</b>	<b>\$9,936,949</b>	<b>\$11,678,182</b>	<b>(\$1,741,233)</b>	<b>2,378,582</b>	<b>\$3.82</b>	<b>\$4.18</b>	<b>\$4.91</b>	<b>(\$0.73)</b>
					(Average)	(Average)	(Average)	(Average)	(Average)	(Average)
<b>Total FY 2008</b>	<b>\$9,495,630</b>	<b>\$441,234</b>	<b>\$9,936,864</b>	<b>\$12,236,888</b>	<b>(\$2,300,024)</b>	<b>2,348,313</b>	<b>\$4.04</b>	<b>\$4.23</b>	<b>\$5.21</b>	<b>(\$0.98)</b>

Notes:

Revenue FY 2009 now includes Reservation Surcharge Fund revenue.

Revenue does not include ASP gift shop or donation revenue.

Phoenix Office annual pass sales are not included in total.

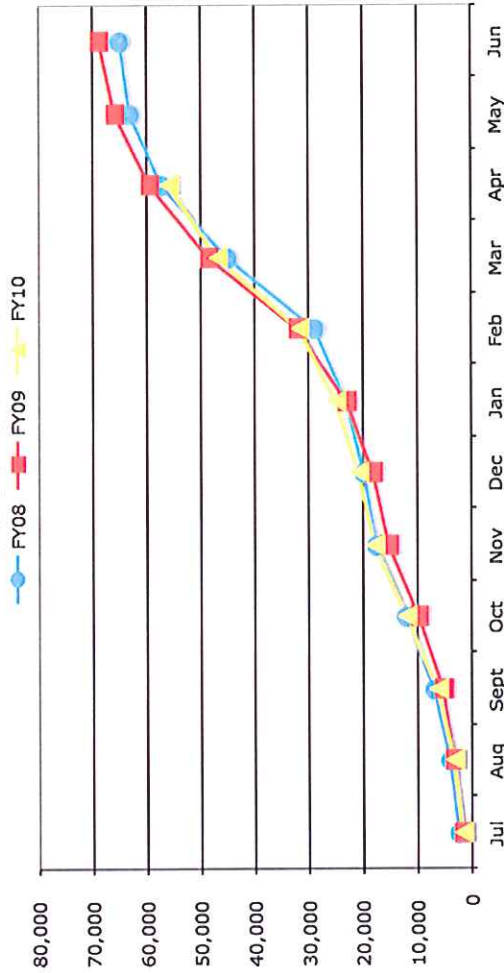
Expenditures FY 2009:  
Operating Funds include GF, EF, RSF, LCF, AHF EE, AHF NAO&M, Yuma IGA, & Sonoita IGA.  
Operating costs do not include GF health and dental, gift shop, or donation expenditures.



# Alamo Lake State Park Visitation & Revenue

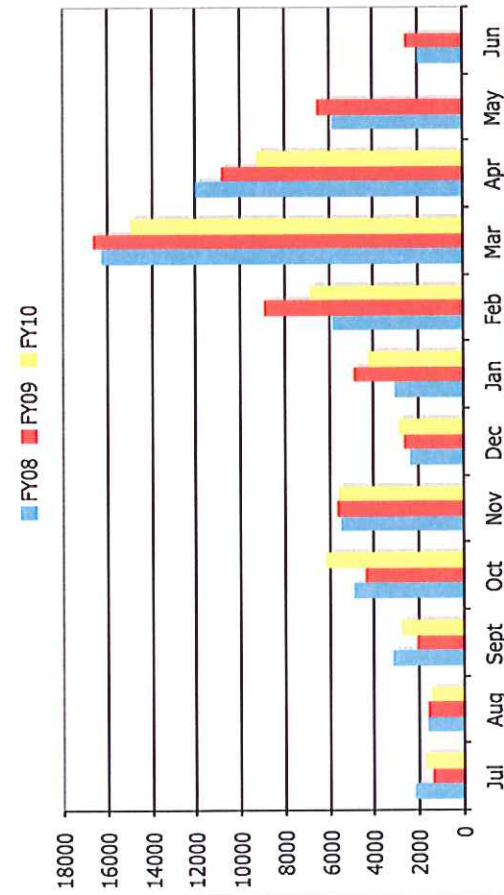
## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10



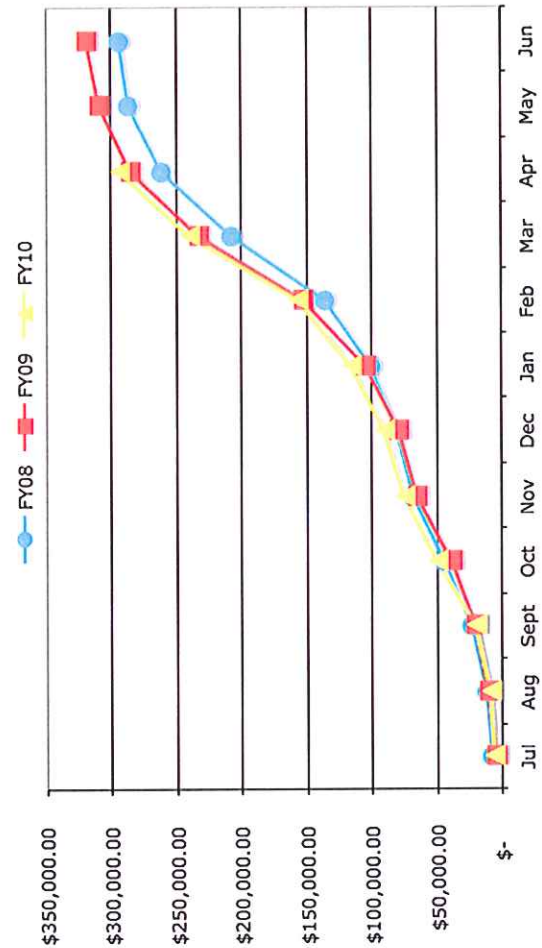
## Month to Month Visitation Comparison

FY08 - FY10



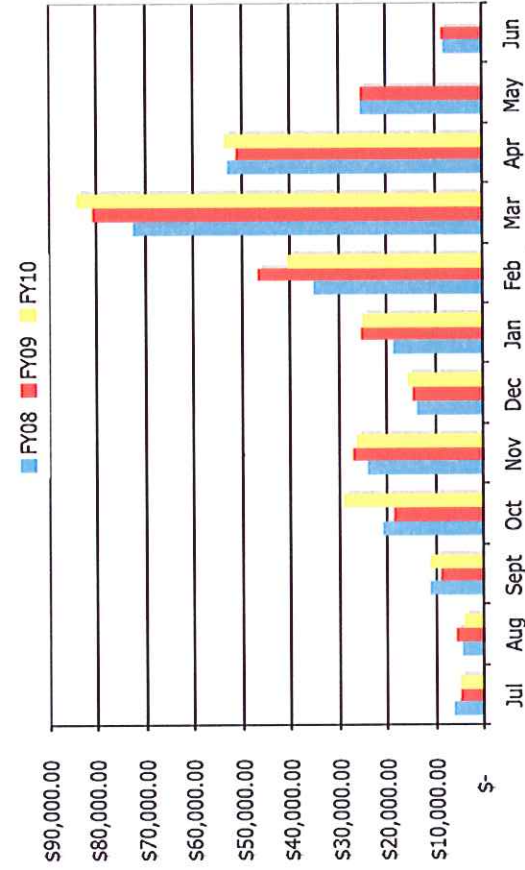
## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



## Month to Month Revenue Comparison

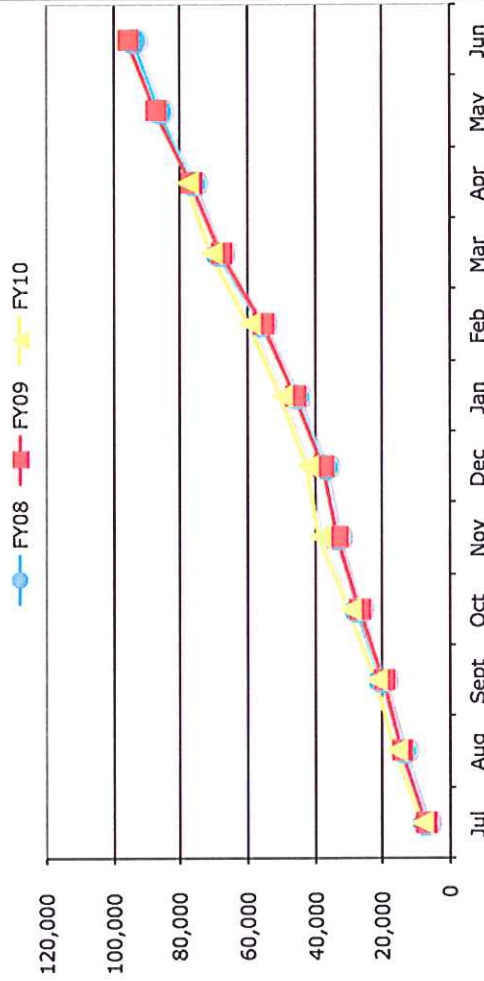
FY08 - FY10



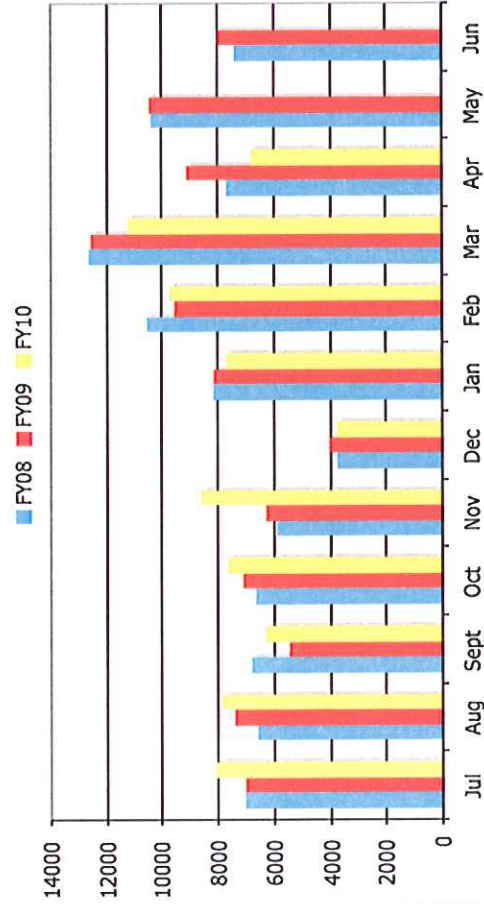
In Nov, FY08 Alamo had their first Night Under the Stars event. Since then this event has taken place annually in November. The renovated gift shop opened in January FY09, increasing revenue at the park. Fee increases took effect on 3/1/10.

# Buckskin Mountain State Park Visitation & Revenue

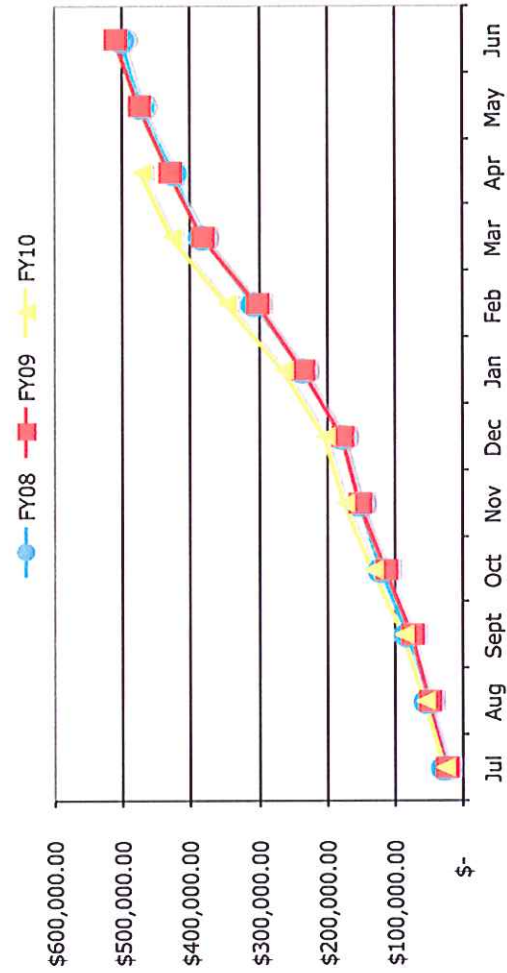
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



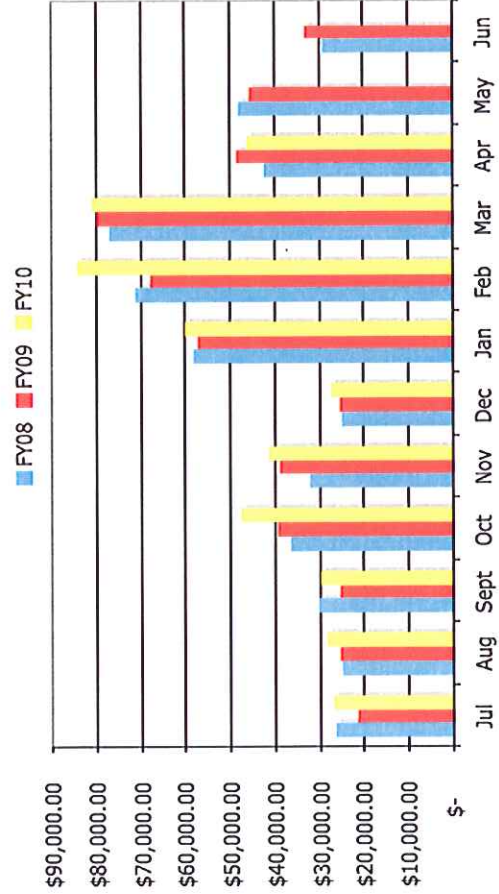
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10



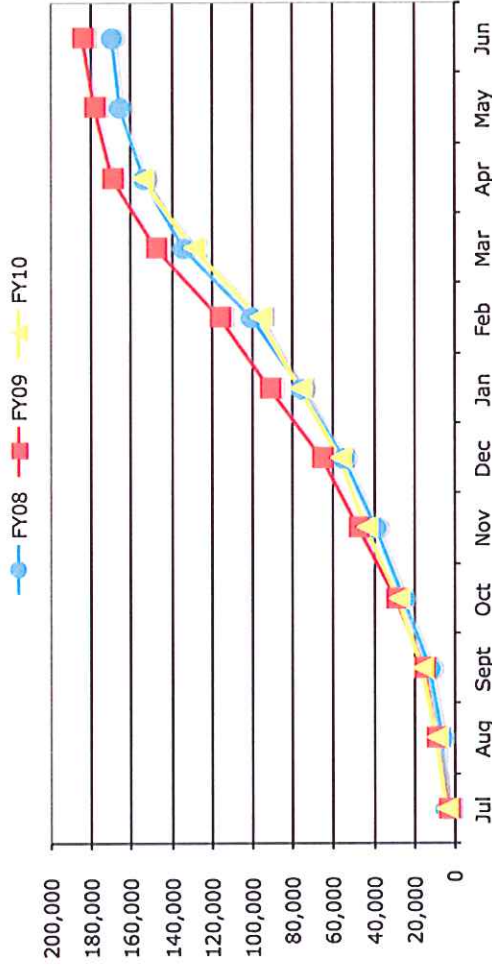
Fee increases system-wide took effect on 3/1/10.



# Catalina State Park Visitation & Revenue

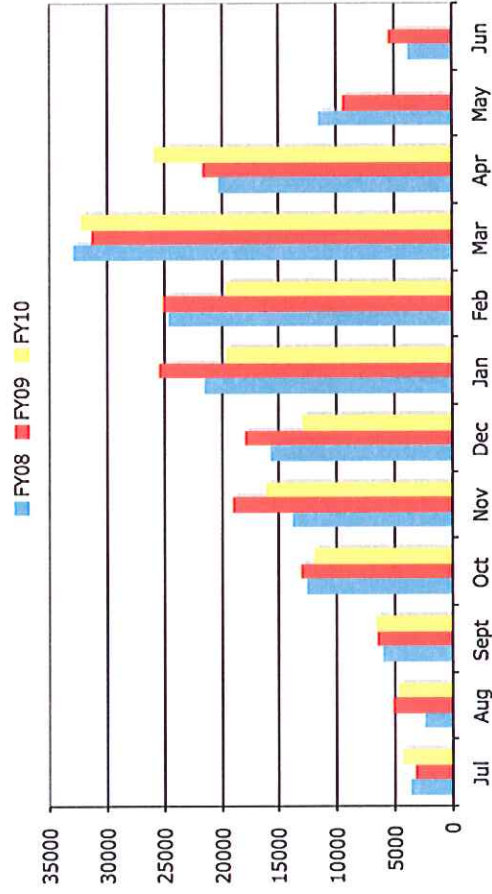
## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10



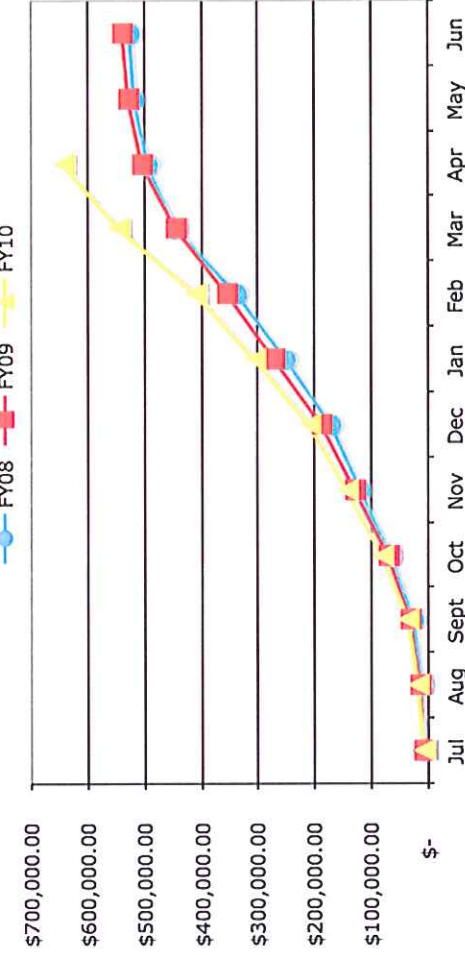
## Month to Month Visitation Comparison

FY08 - FY10



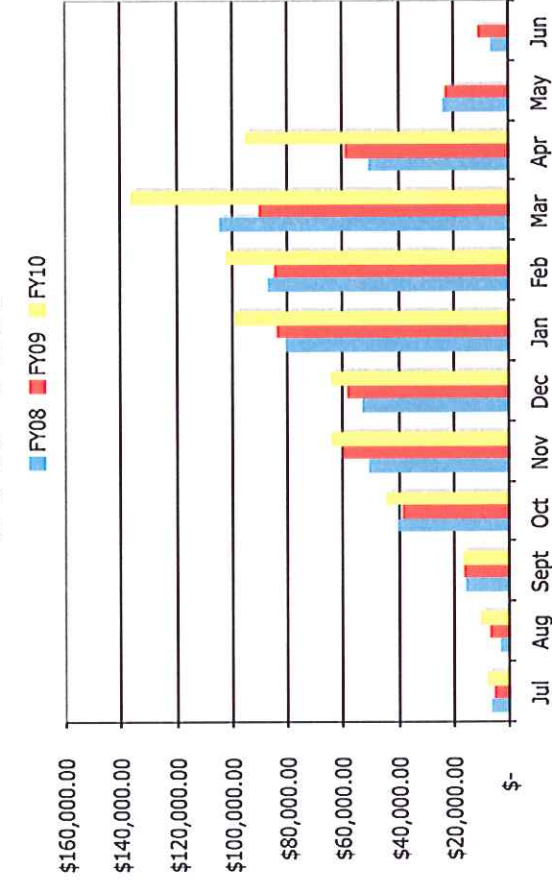
## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



## Month to Month Revenue Comparison

FY08 - FY10

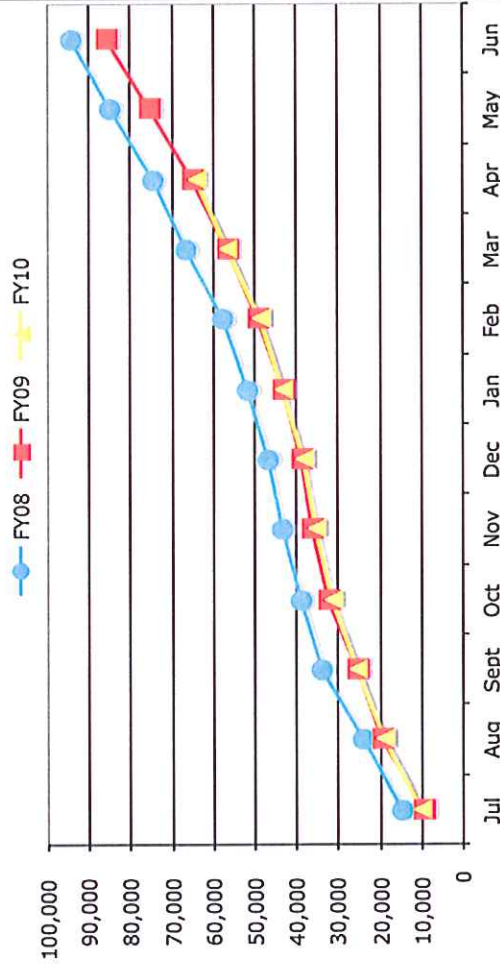


In April, Catalina has an annual Festival of the Sun-Solar Expo event. System-wide fee increases took effect on 3/1/10. Annual Pass sales increased in February, 2010.

# Cattail Cove State Park Visitation & Revenue

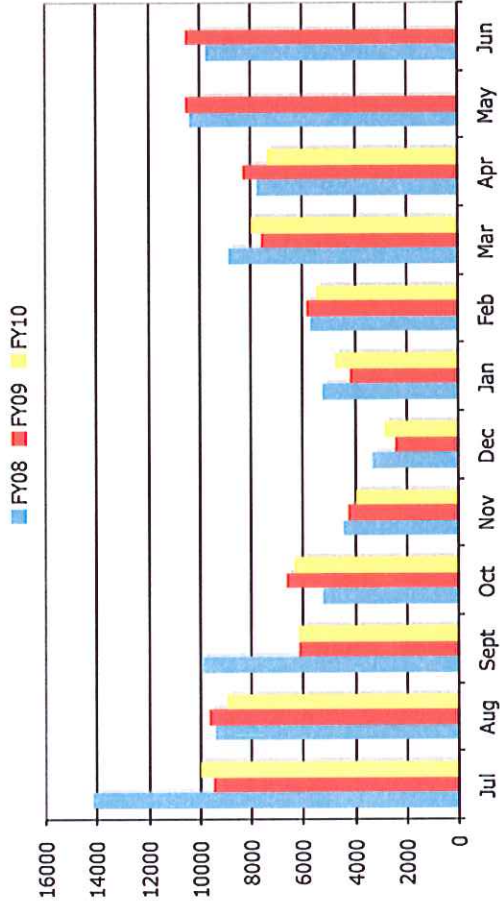
## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10



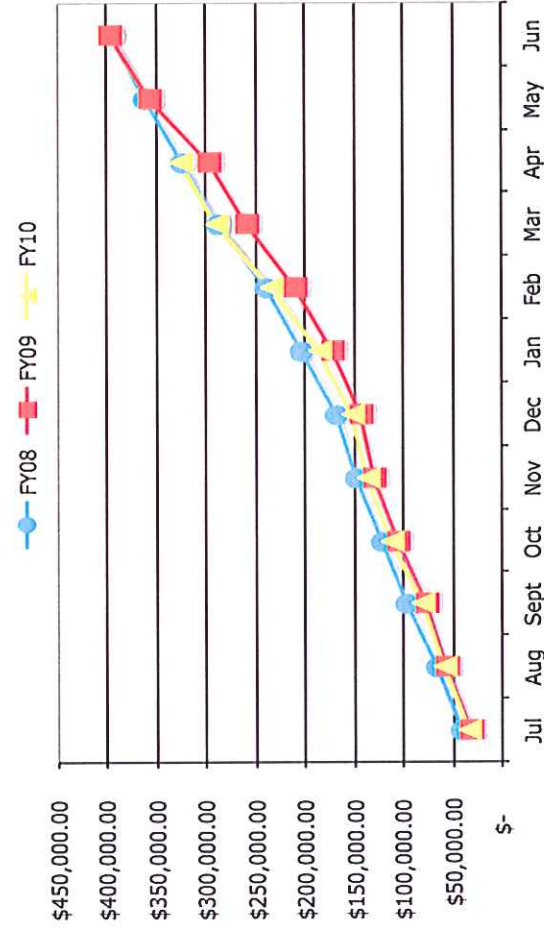
## Month to Month Visitation Comparison

FY08 - FY10



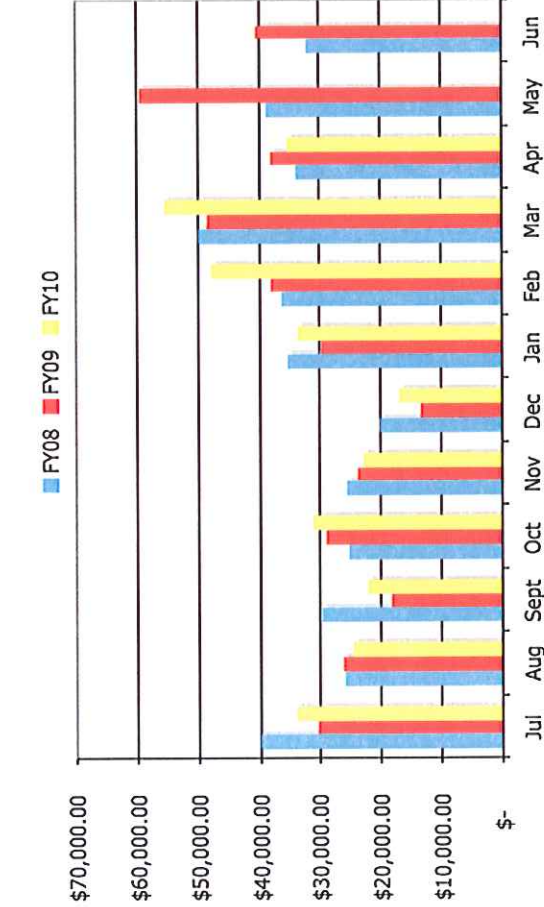
## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



## Month to Month Revenue Comparison

FY08 - FY10



Geo-cache Bash, an annual event, takes place in February. System-wide fee increases took effect on 3/1/10.

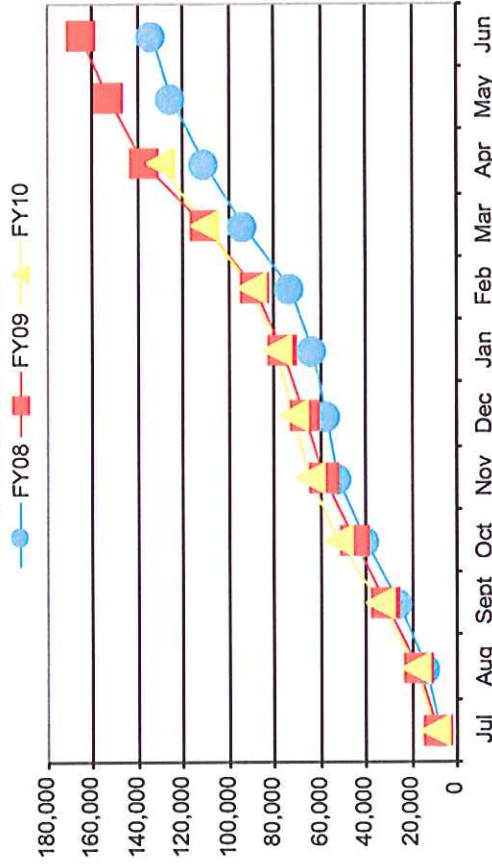
2003



# Dead Horse Ranch State Park Visitation & Revenue

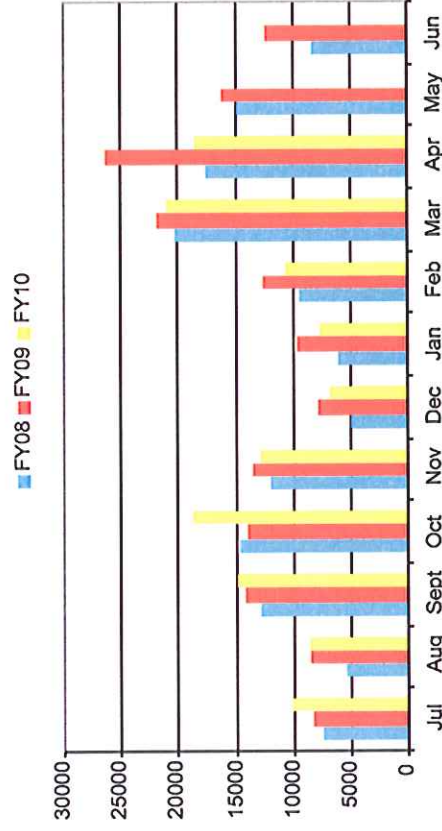
## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10



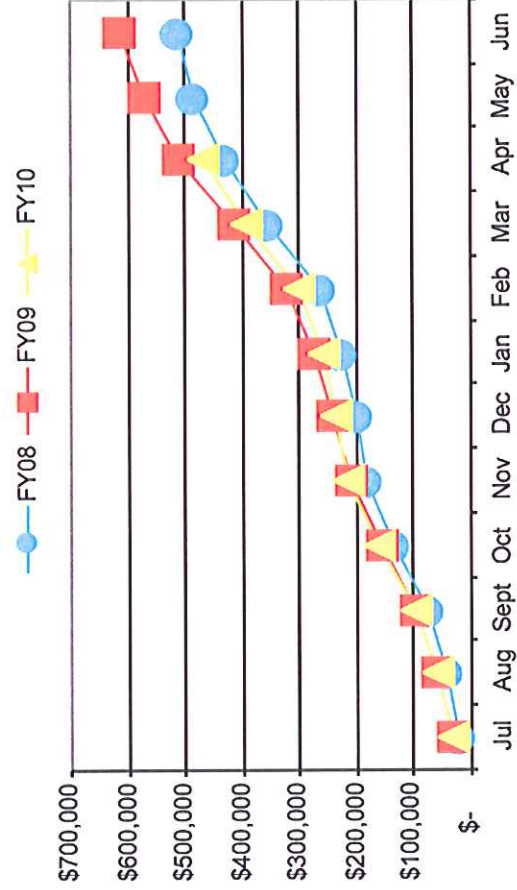
## Month to Month Visitation Comparison

FY08 - FY10



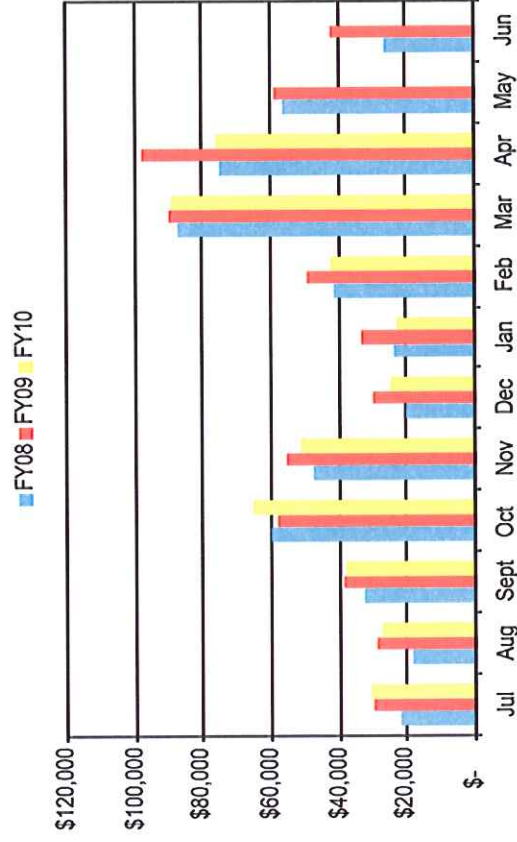
## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



## Month to Month Revenue Comparison

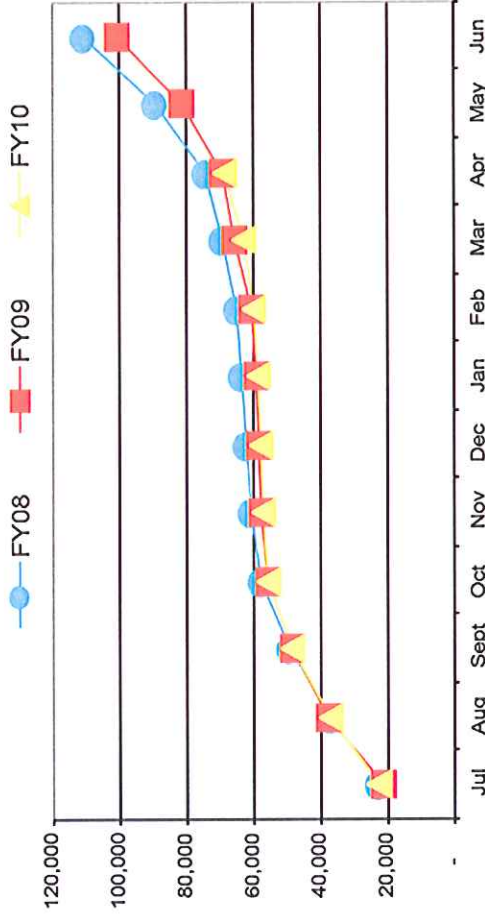
FY08 - FY10



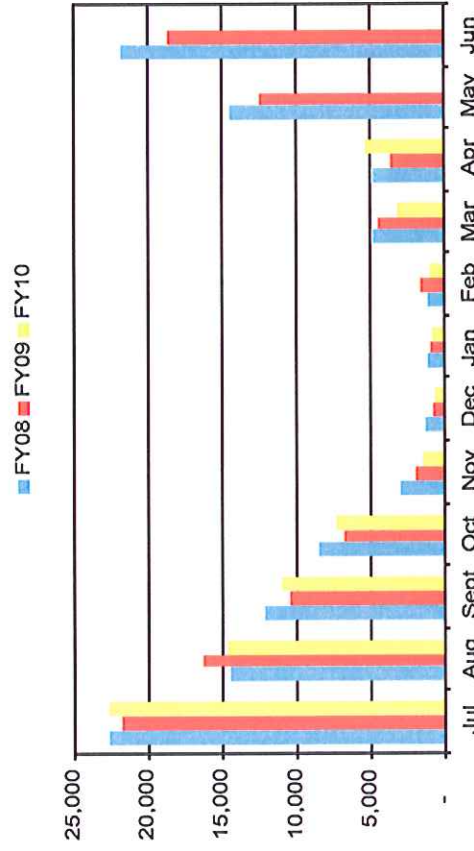
Verde River Days, annual event takes place in September, and Verde Valley Birding and Nature Festival takes place every April. System-wide fee increases took effect on 3/1/10.

# Fool Hollow Lake Recreation Area Visitation & Revenue

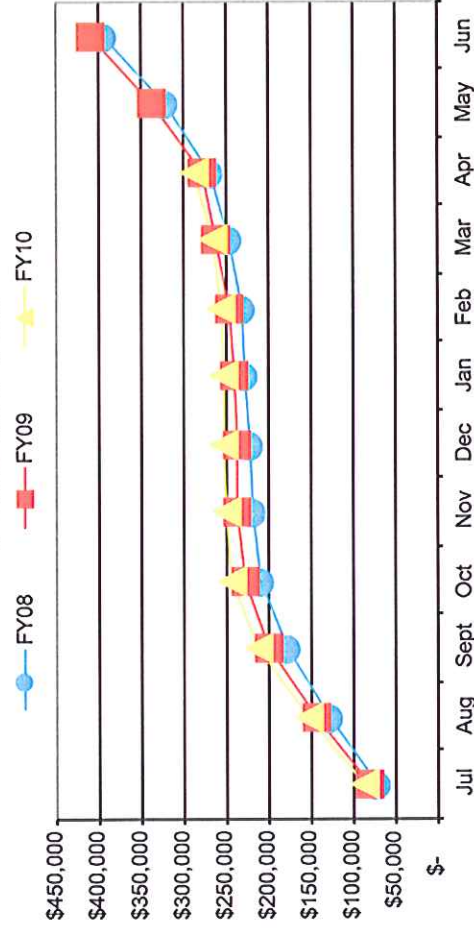
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



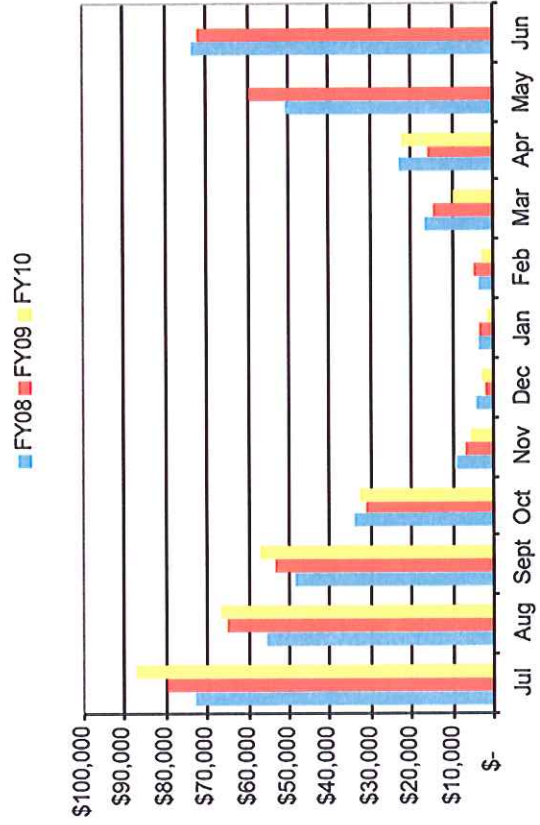
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10

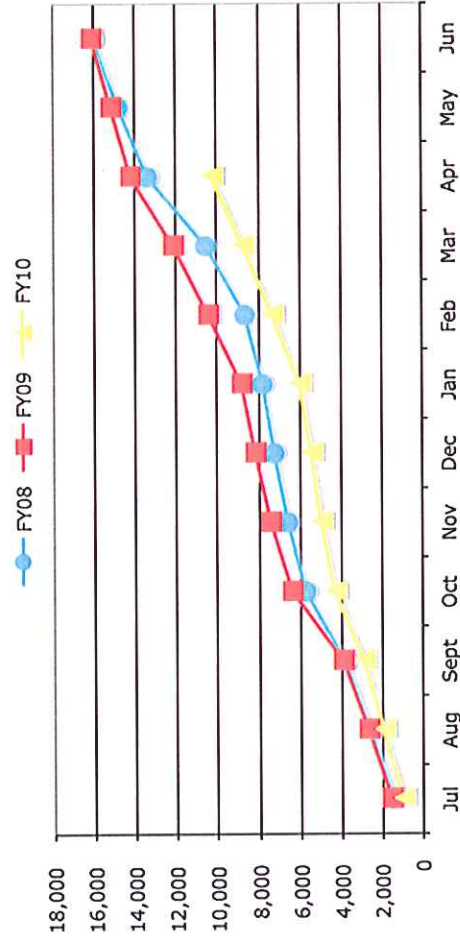


Heavier than normal snowfall, park closed in Feb, FY08. Triathlon takes place annually in May/June. System-wide fee increases took effect on 3/1/10. Revenue in May FY09 due to ramada reservations.

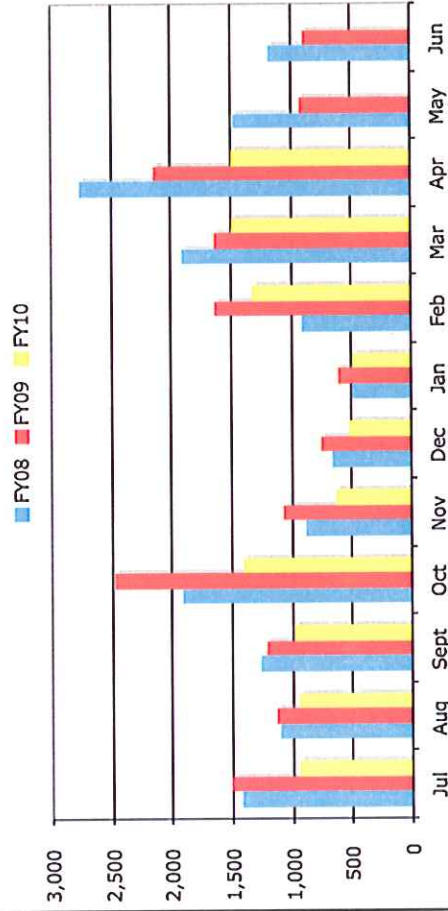


# Fort Verde State Historic Park Visitation & Revenue

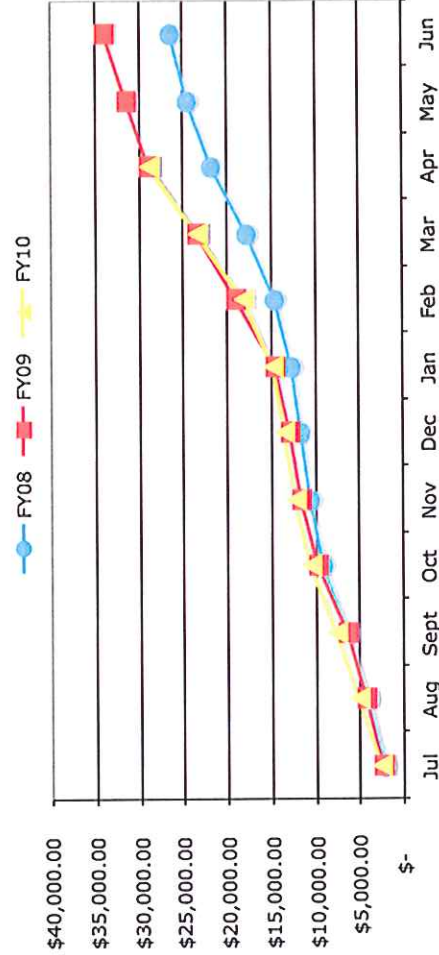
Fiscal Year To Date Comparisons - Visitation FY08 to FY10



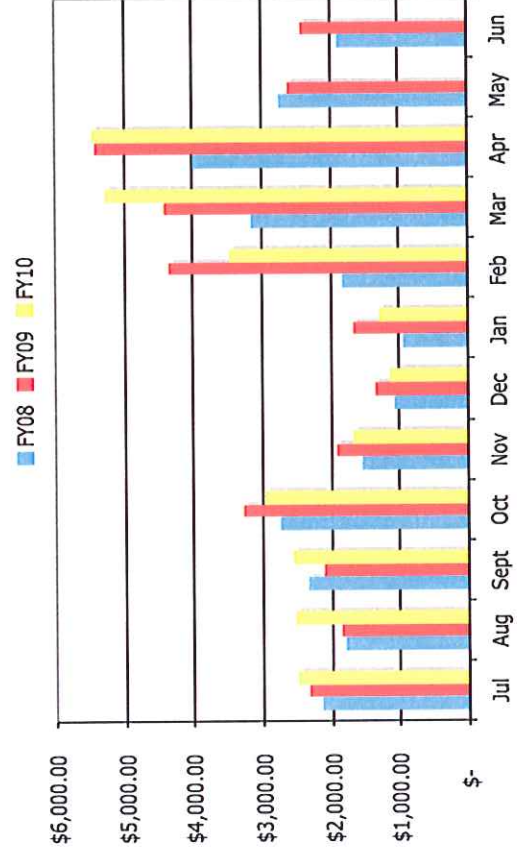
Month to Month Visitation Comparison FY08 - FY10



Fiscal Year To Date Comparisons - Revenue FY08 to FY10



Month to Month Revenue Comparison FY08 - FY10

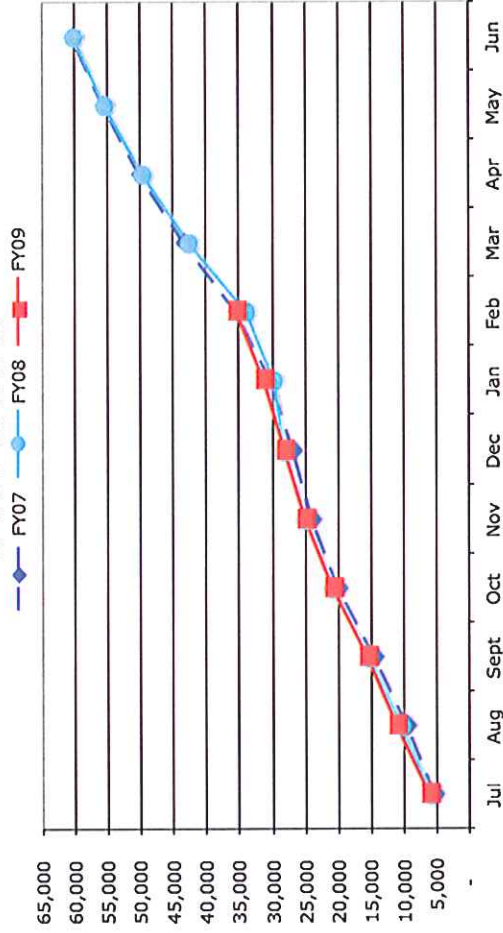


In April, FOVE has an annual History of the Soldier event. In May FY09, park changed to a 5-day schedule. Oct FY10 - Fort Verde Days event. System-wide fee increases took effect on 3/1/10.

# Jerome State Historic Park Visitation & Revenue

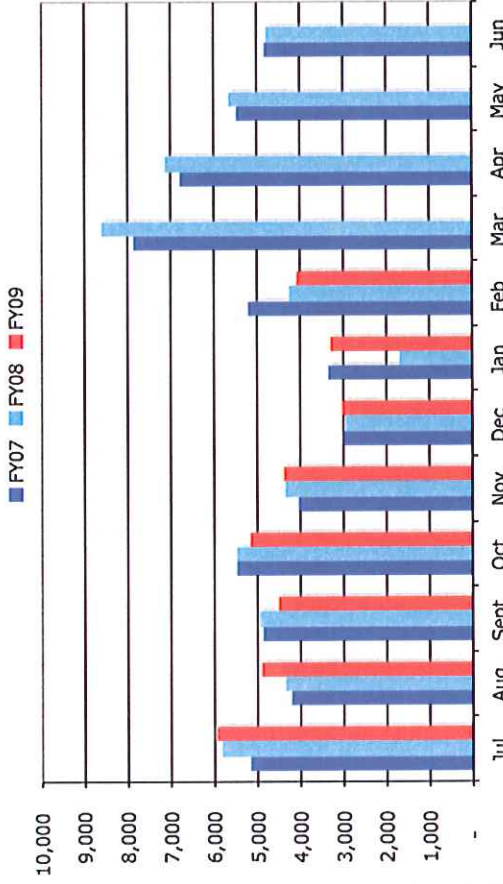
## Fiscal Year To Date Comparisons - Visitation

FY07 to FY09



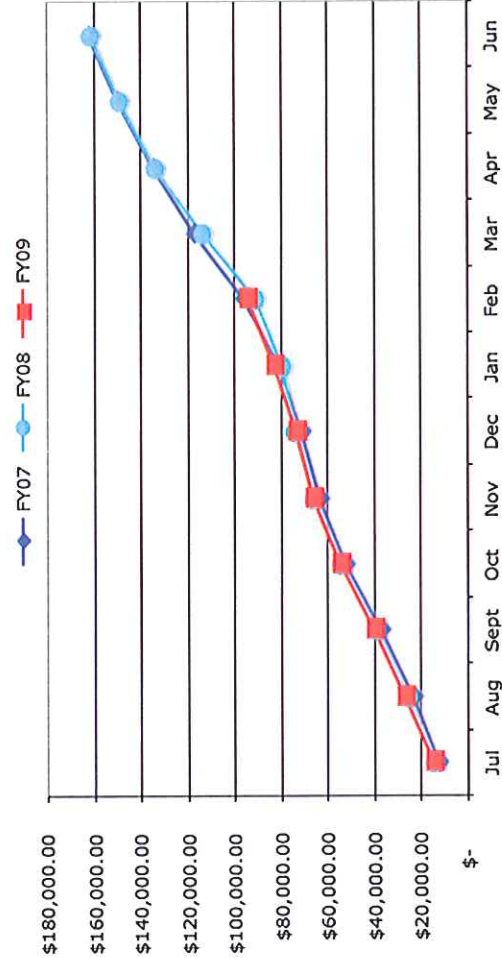
## Month to Month Visitation Comparison

FY07 - FY09



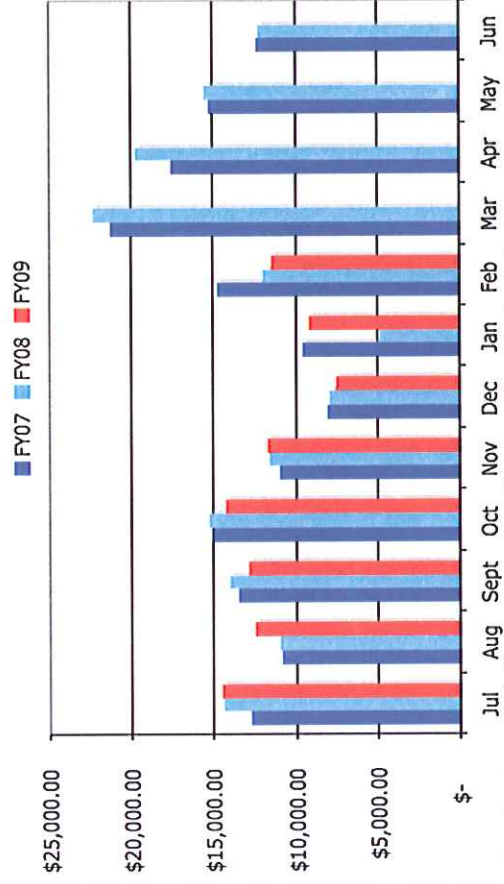
## Fiscal Year To Date Comparisons - Revenue

FY07 to FY09



## Month to Month Revenue Comparison

FY07 - FY09

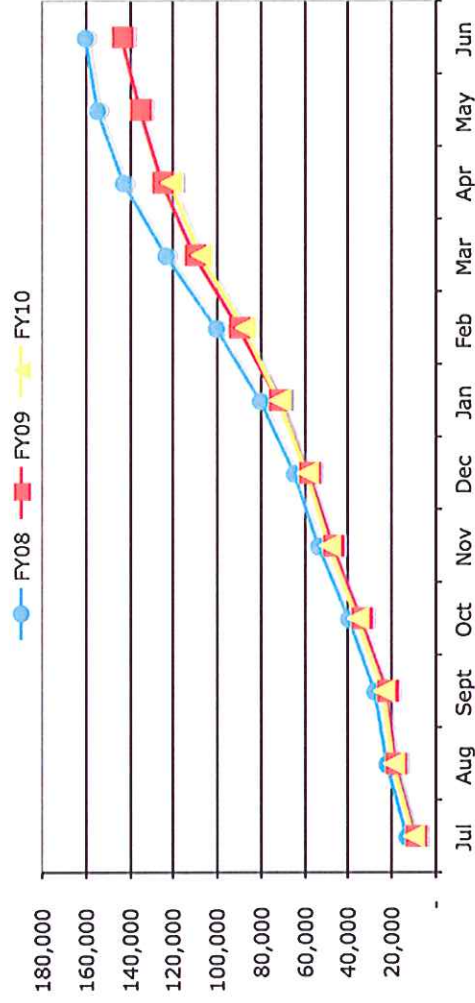


JERO was closed to the public in January FY08 and from 2/26/09 on due to budget restrictions, renovation and construction.

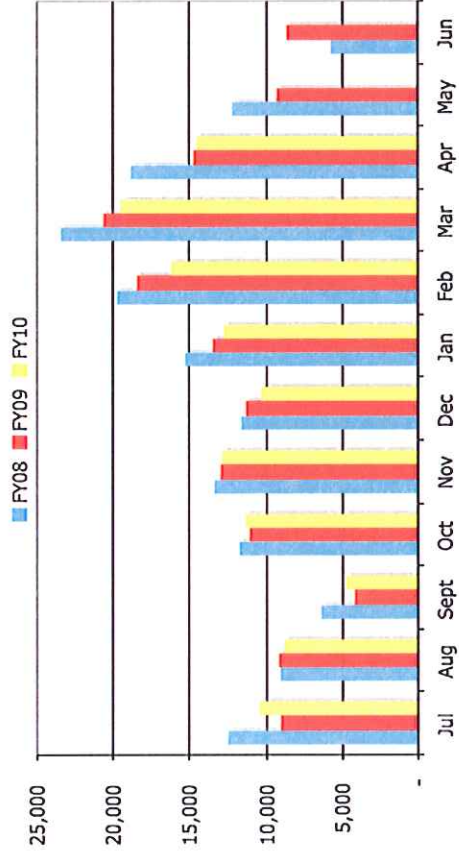


# Kartchner Caverns State Park Visitation & Revenue

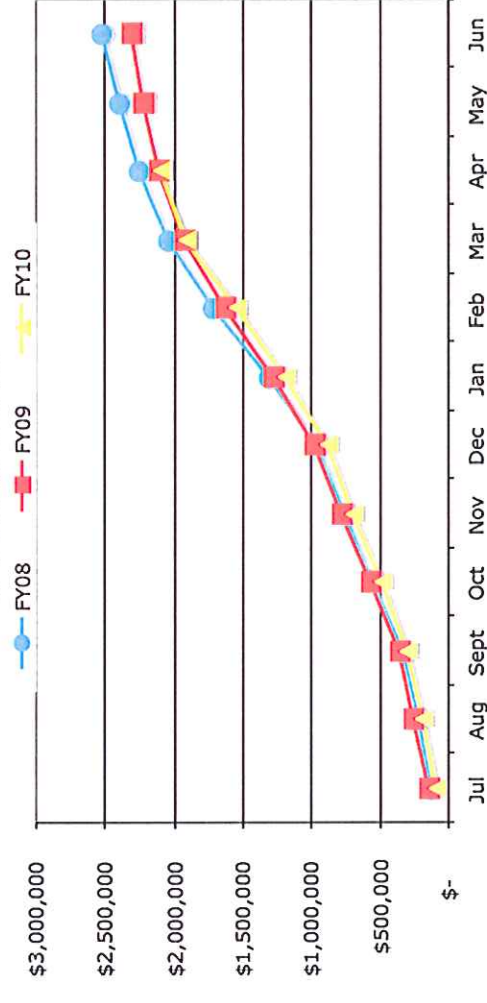
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



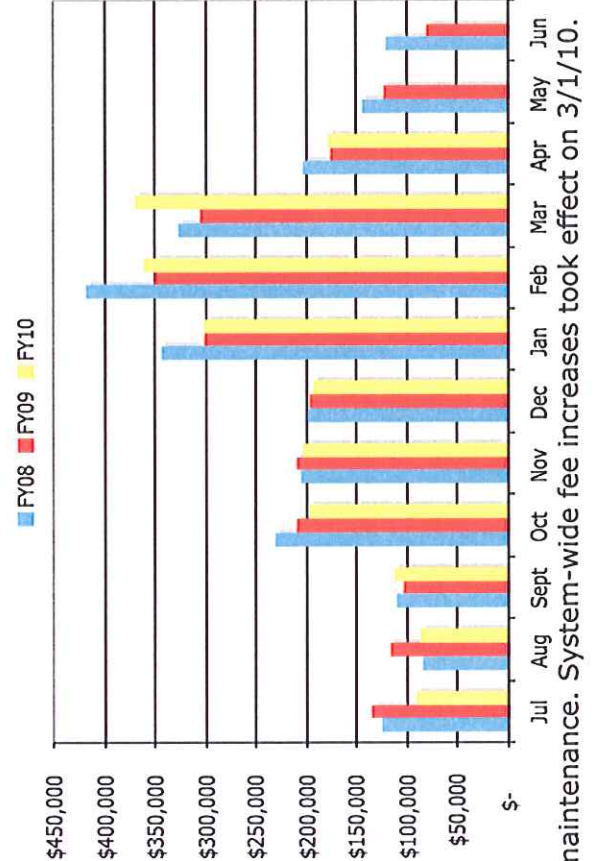
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10

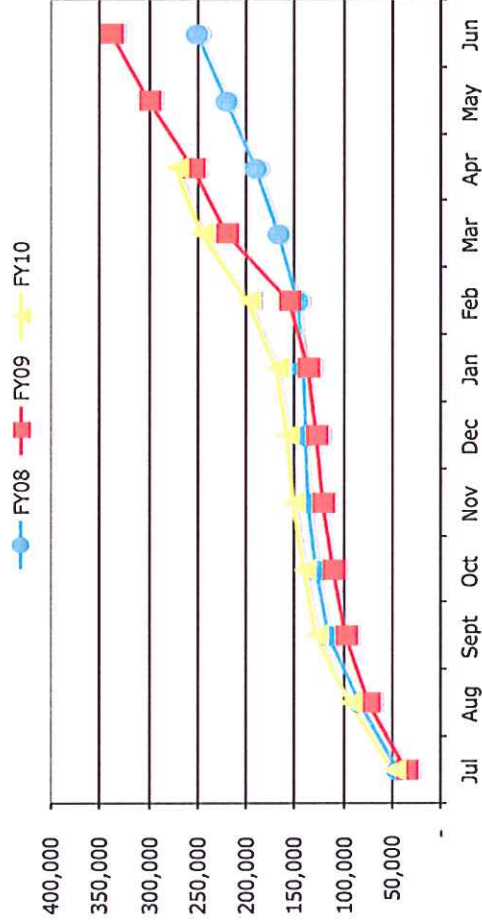


Summer promotions in FY08 & FY09. Cave closed annually in late Sept for maintenance. System-wide fee increases took effect on 3/1/10.

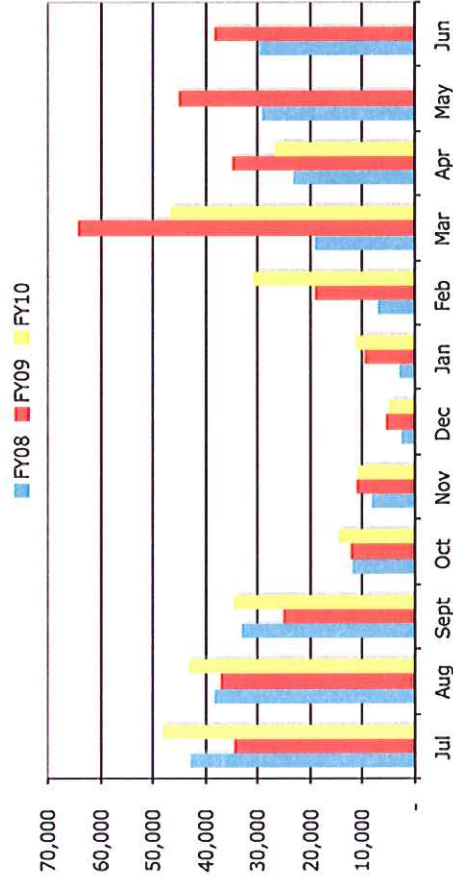
25B

# Lake Havasu State Park Visitation & Revenue

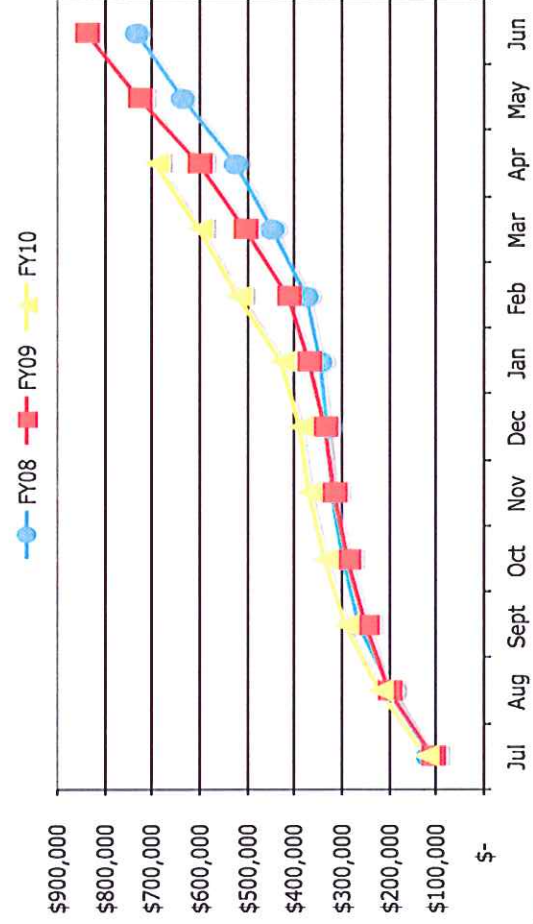
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



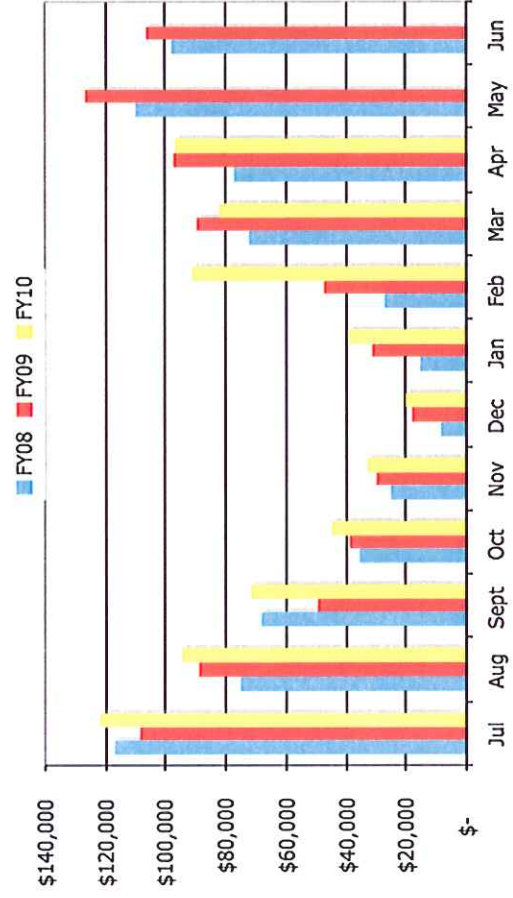
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10

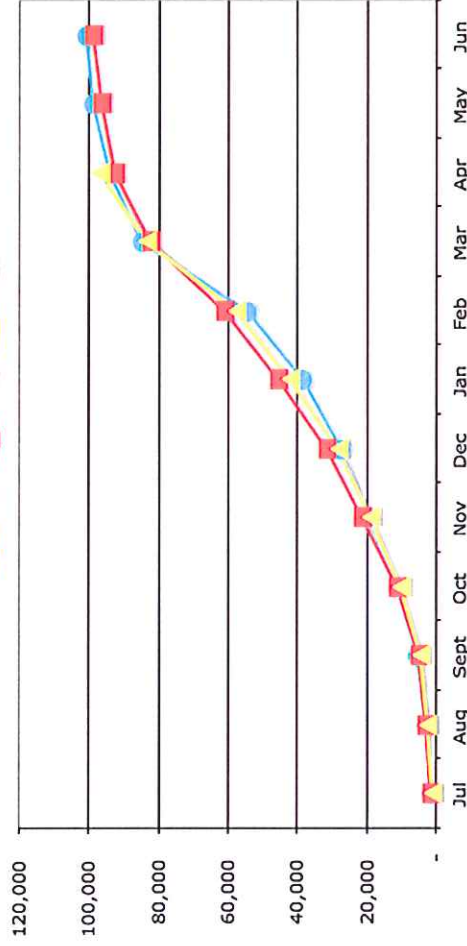


Campgrounds closed 11/25/07-4/30/08 for ADOT construction. System-wide fee increases took effect on 3/1/10.

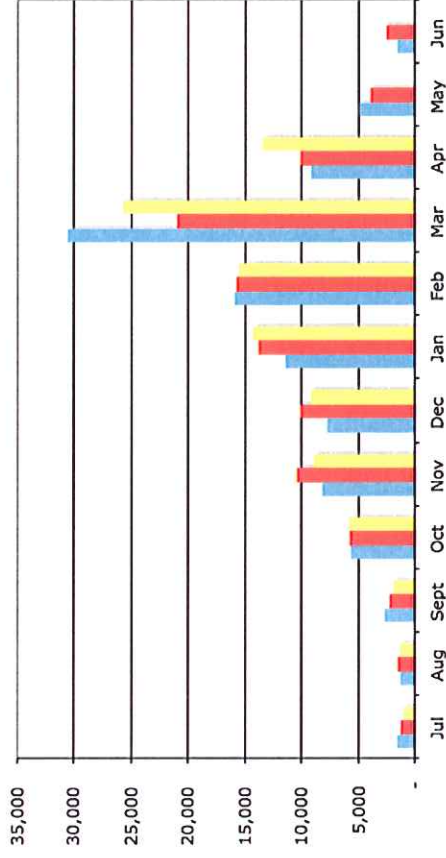


# Lost Dutchman State Park Visitation & Revenue

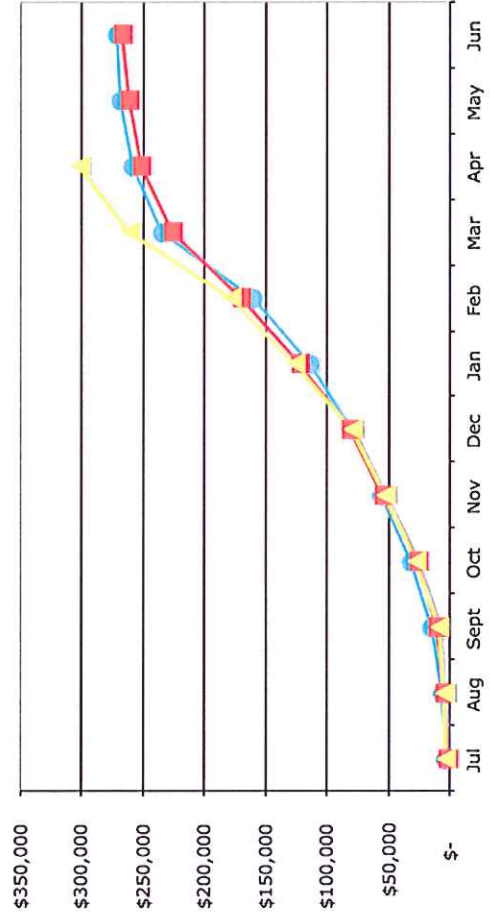
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



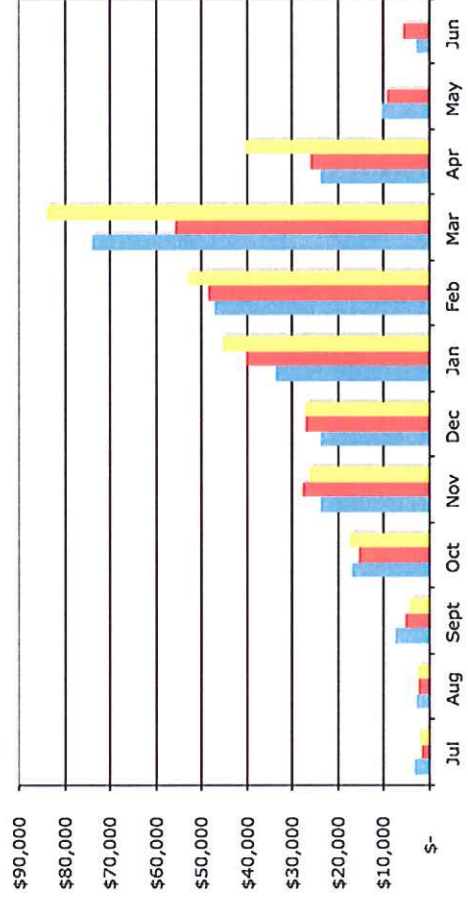
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



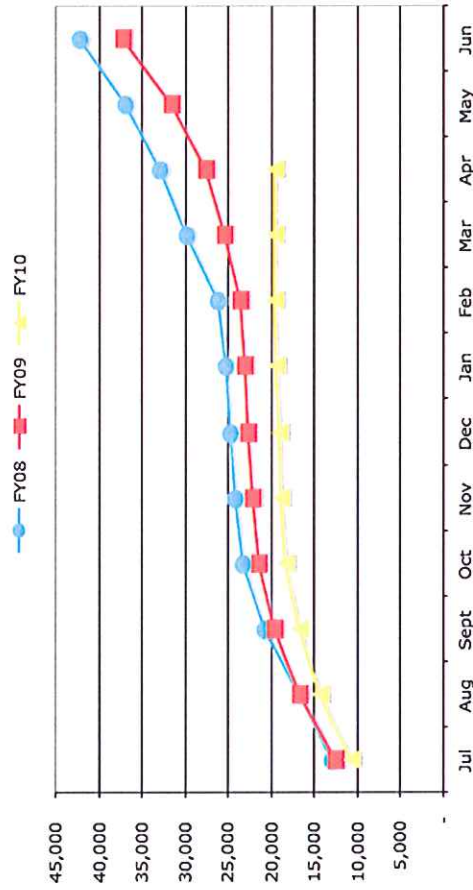
## Month to Month Revenue Comparison FY08 - FY10



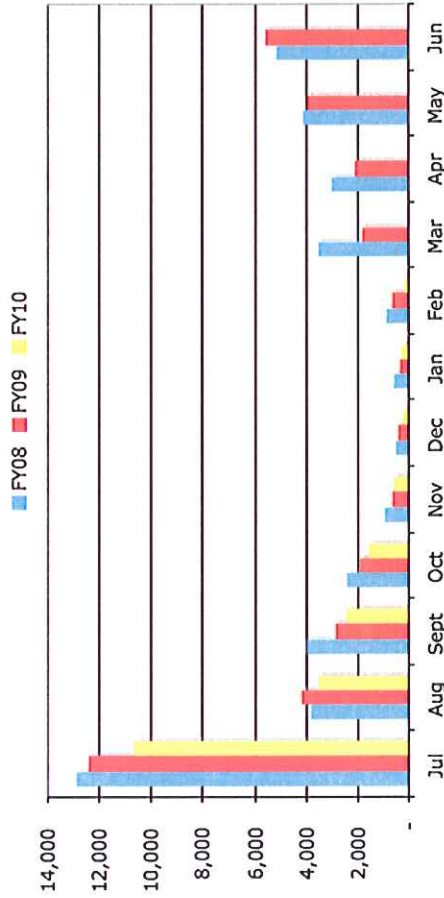
Spring 2008 was an above average wildflower year. Astronomy program, hikes and rides in support of the park in Mar & Apr, FY10. System-wide fee increases took effect on 3/1/10.

# Lyman Lake State Park Visitation & Revenue

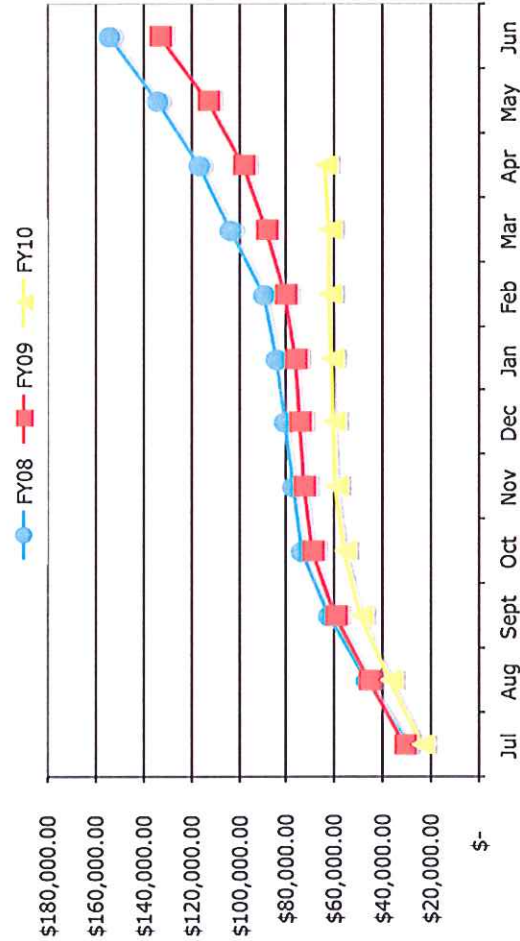
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



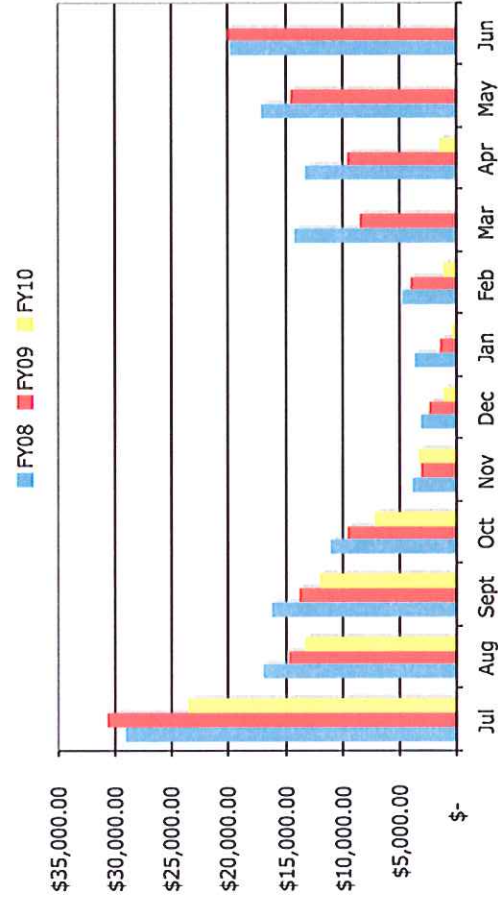
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10



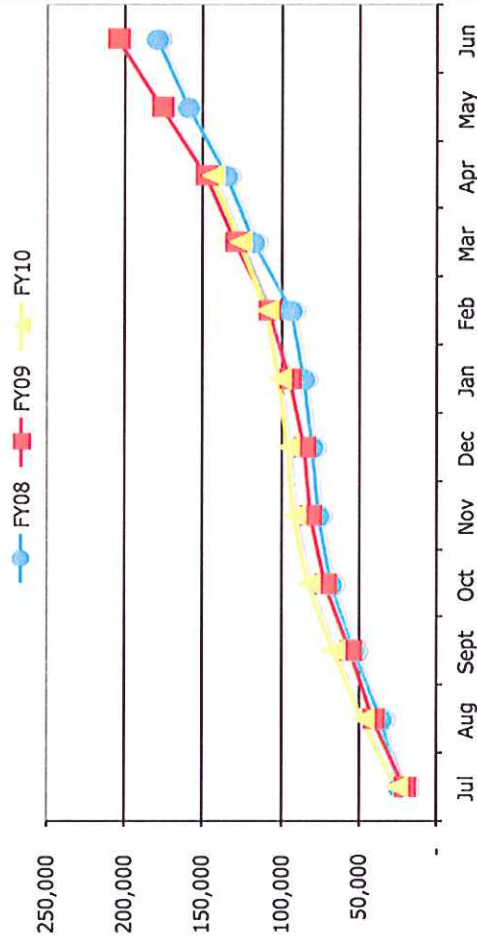
In July, Lyman hosts community fireworks annually. System-wide fee increases took effect on 3/1/10.

283

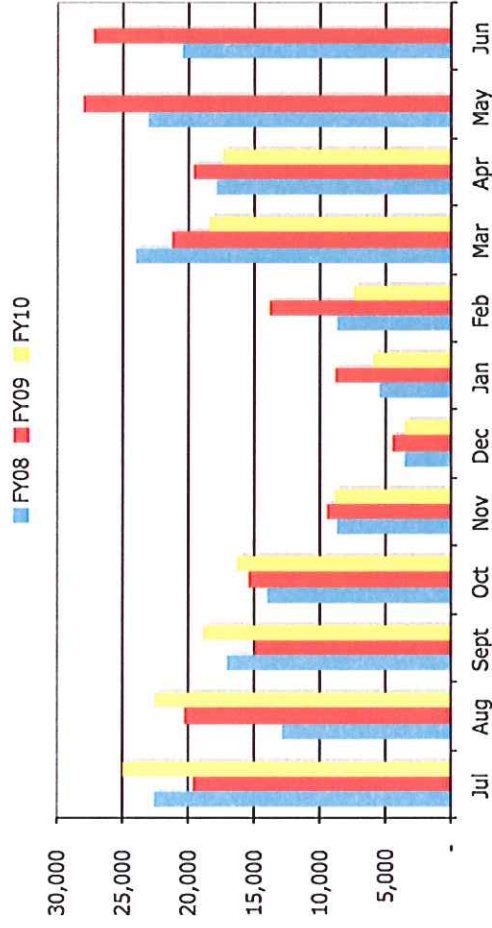


# Patagonia Lake State Park Visitation & Revenue

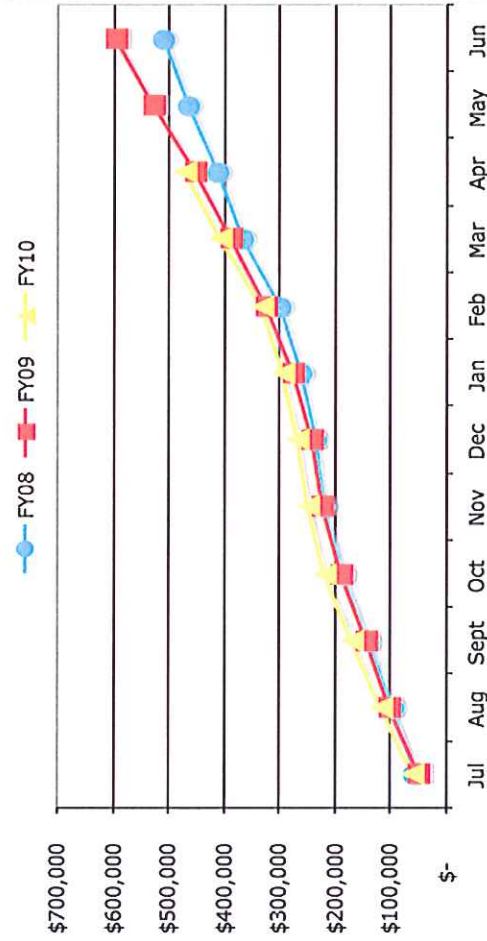
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



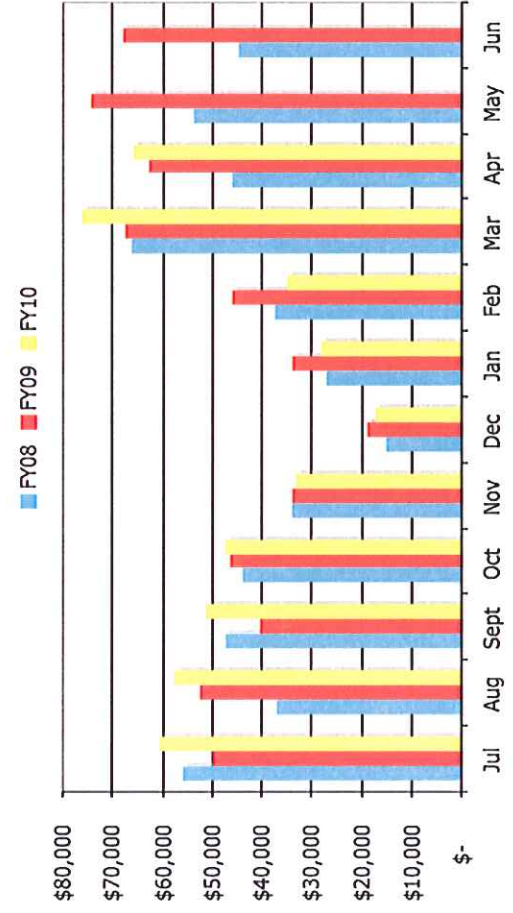
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



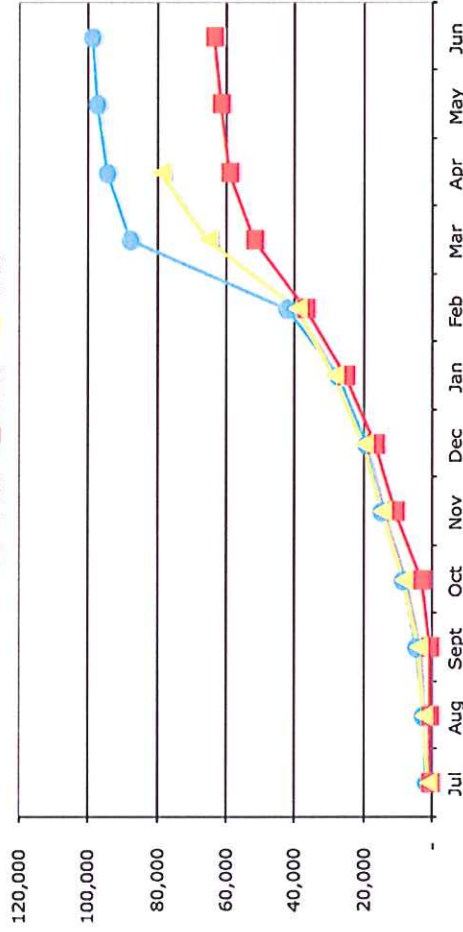
## Month to Month Revenue Comparison FY08 - FY10



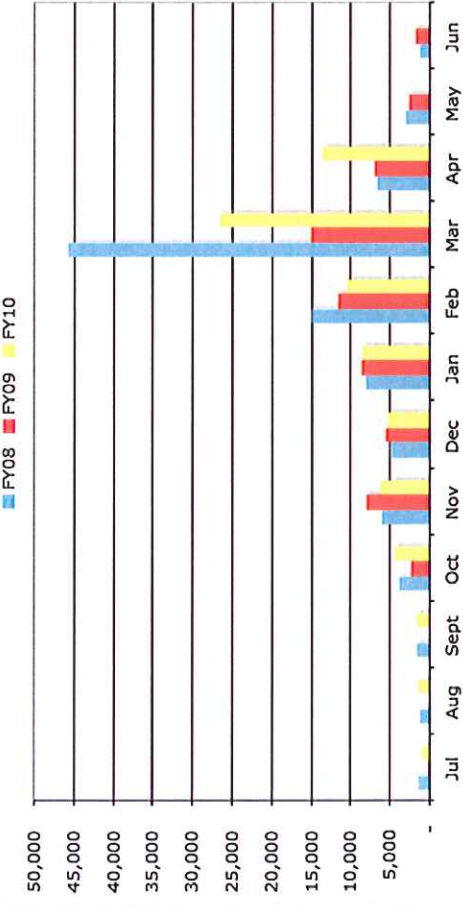
System-wide fee increases took effect on 3/1/10.

# Picacho Peak State Park Visitation & Revenue

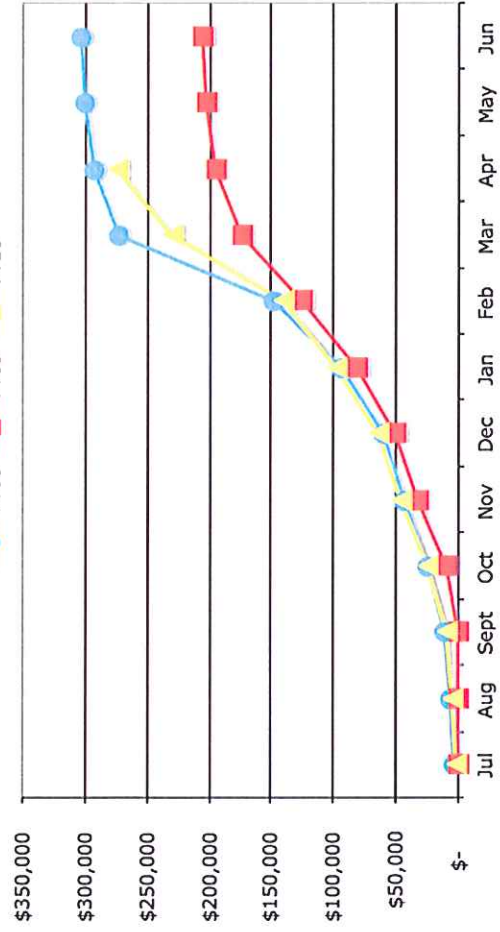
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



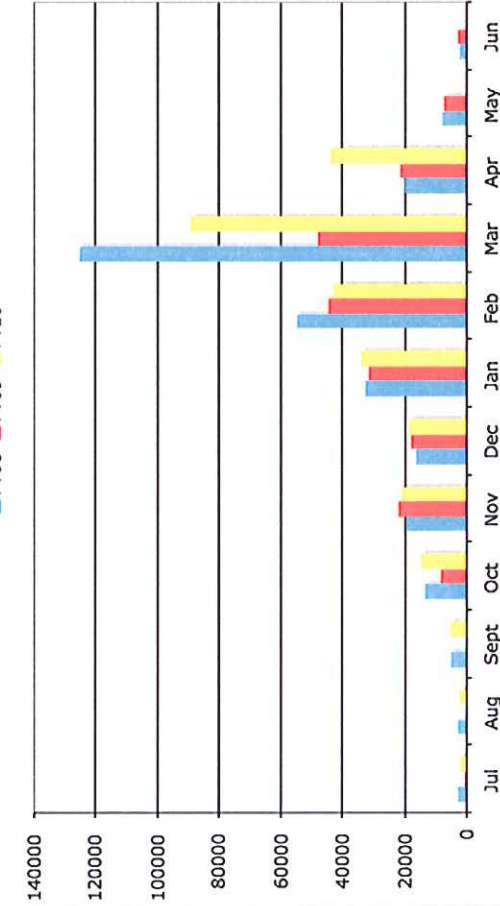
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10



PIPE was closed 7/8/08-10/15/08 for an improvement project. Spring 2008 was an above avg wildflower year. Civil War Reenactment took place in FY08 and FY10, but was cancelled due to budget issues in FY09. System-wide fee increases took effect on 3/1/10.

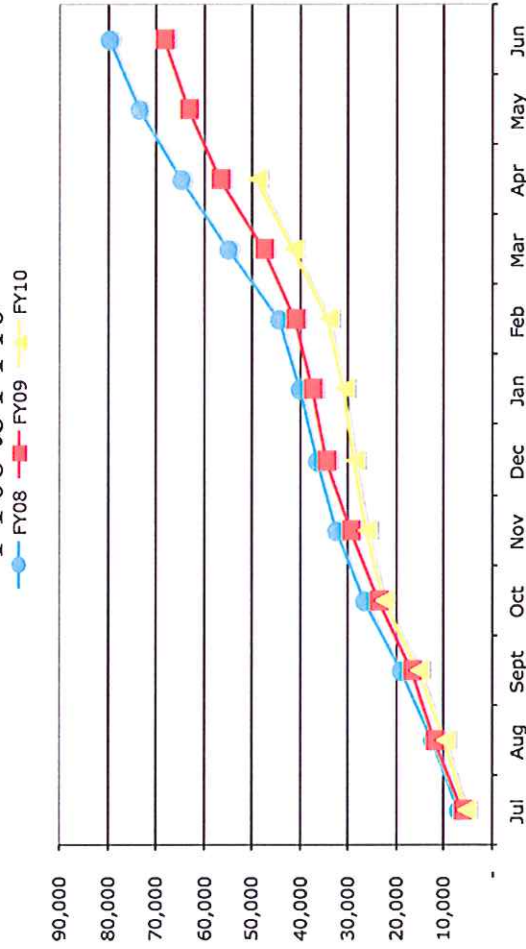
308



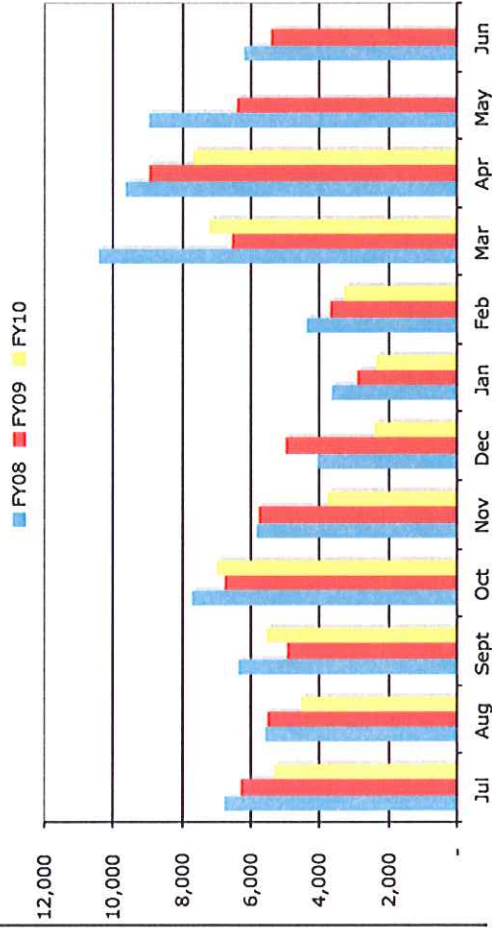
# Red Rock State Park Visitation & Revenue

## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10

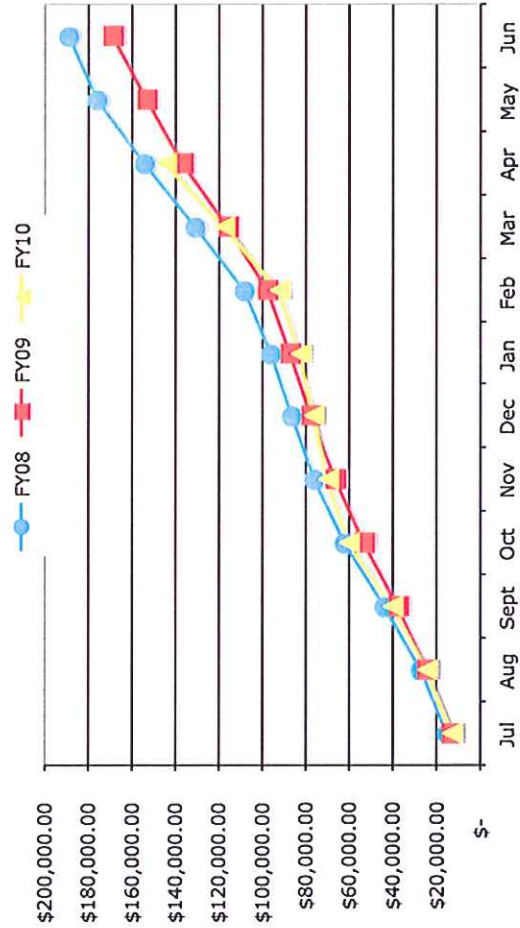


## Month to Month Visitation Comparison FY08 - FY10

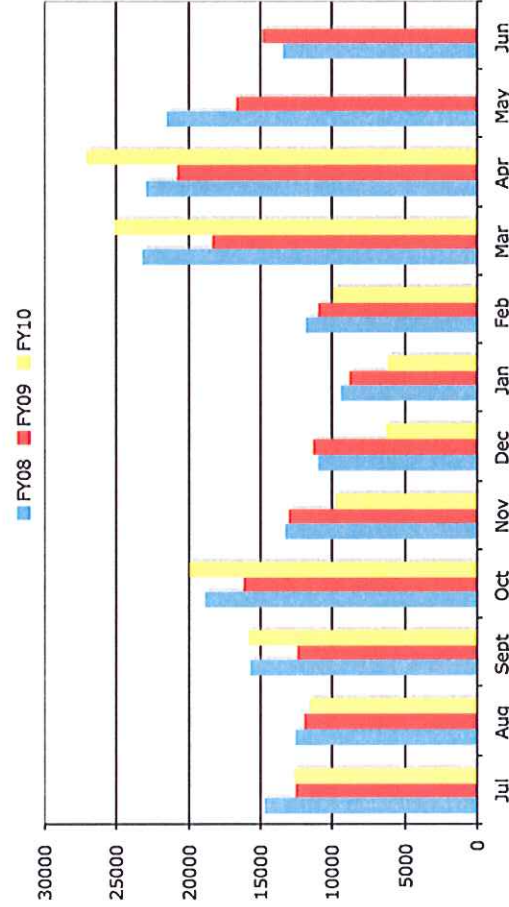


## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



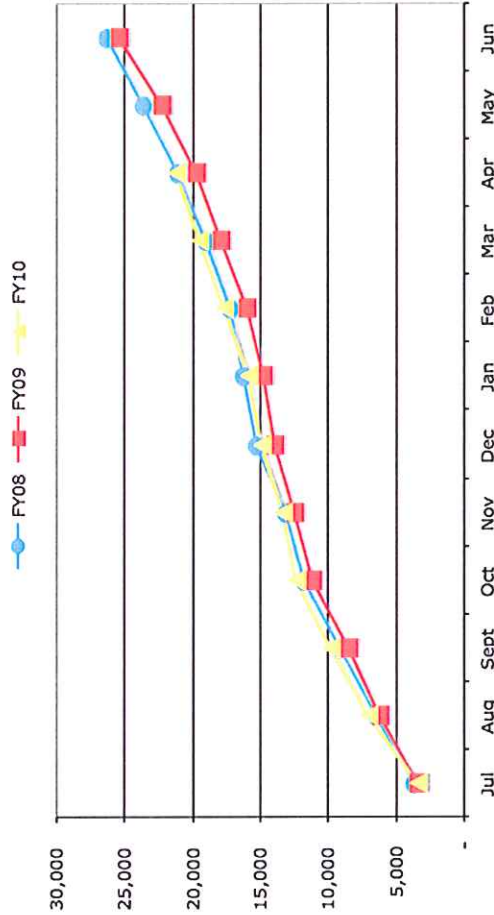
## Month to Month Revenue Comparison FY08 - FY10



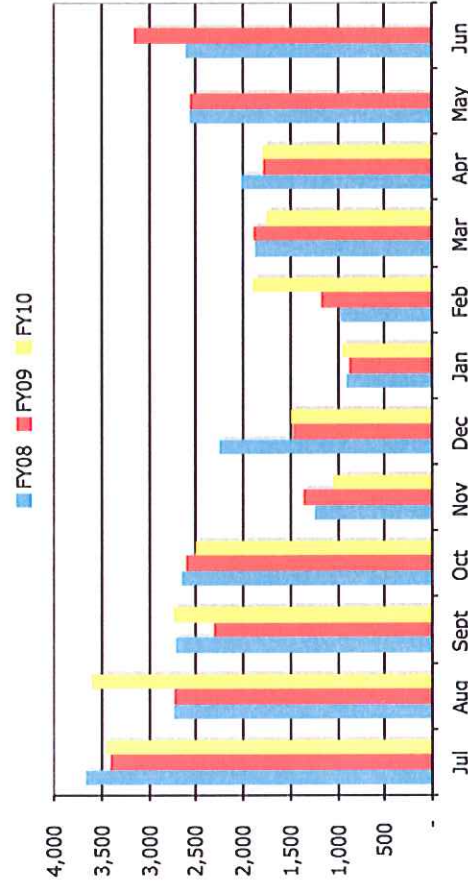
RERO has been on a 5-day schedule since 11/3/09 through 1/29/10. It is possible that the increase in visitation in 2008 was due to a better than average wildflower year.

# Riordan Mansion State Historic Park Visitation & Revenue

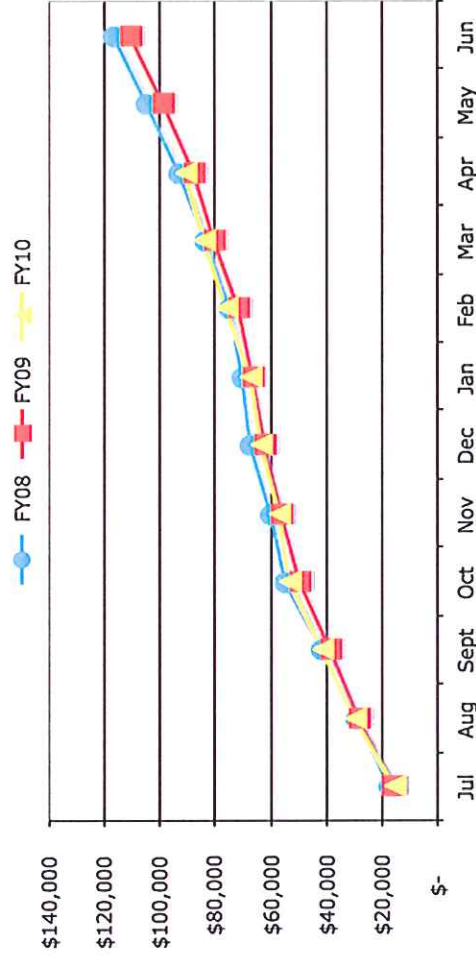
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



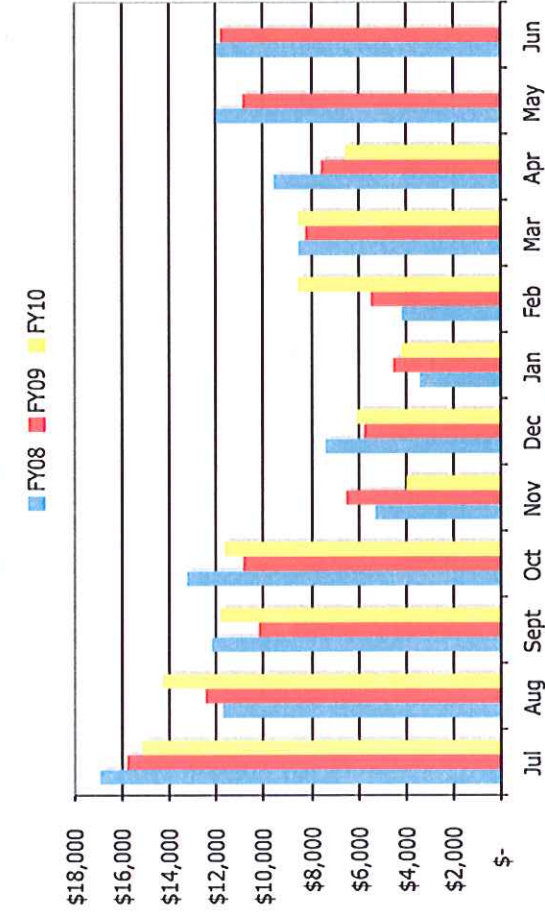
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10

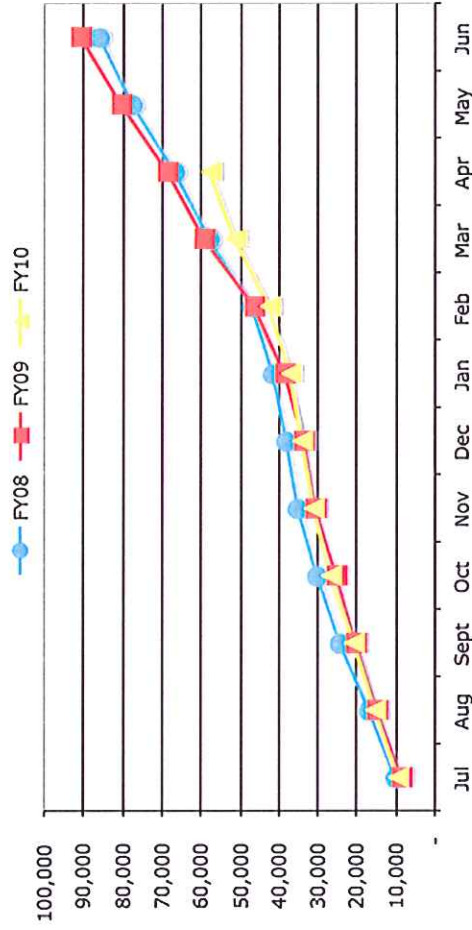


Riordan has an annual Christmas event in December. Park closed due to heavier than normal snowfall in Feb FY08. Switched to a 5-day schedule as of October, 2009. System-wide fee increases took effect on 3/1/10.

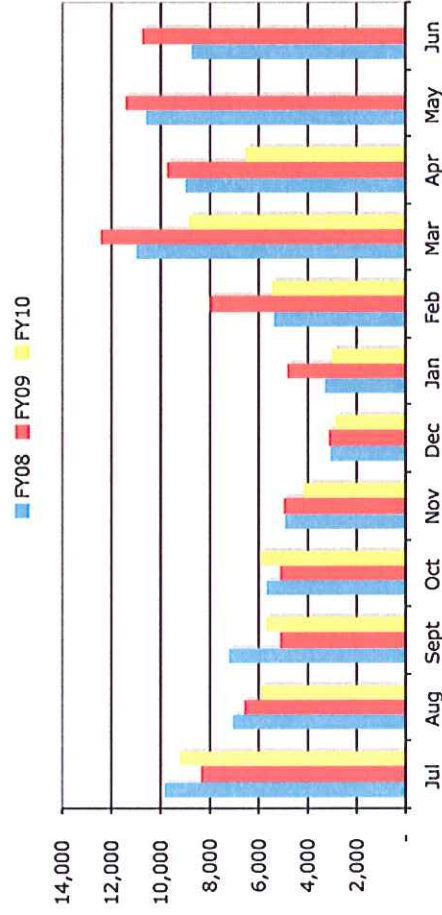


# Roper Lake State Park Visitation & Revenue

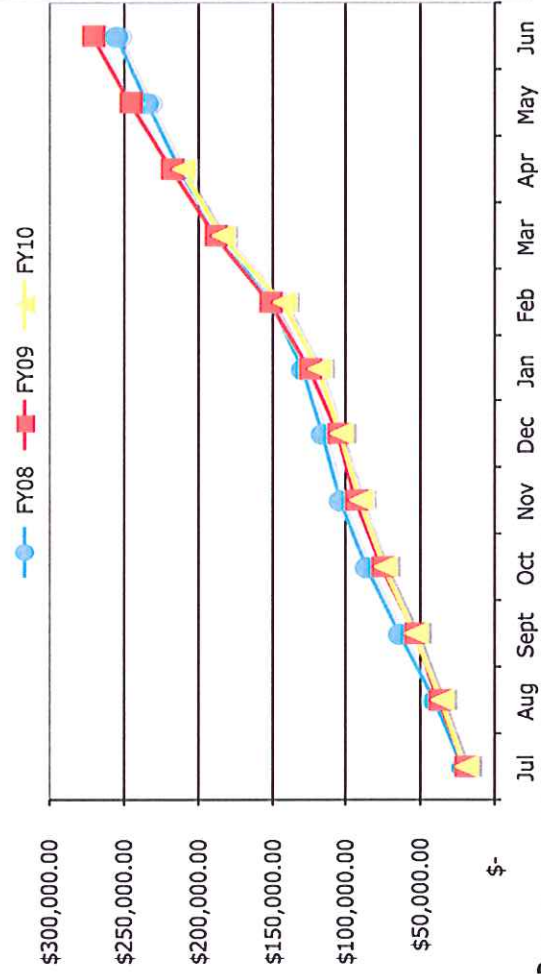
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



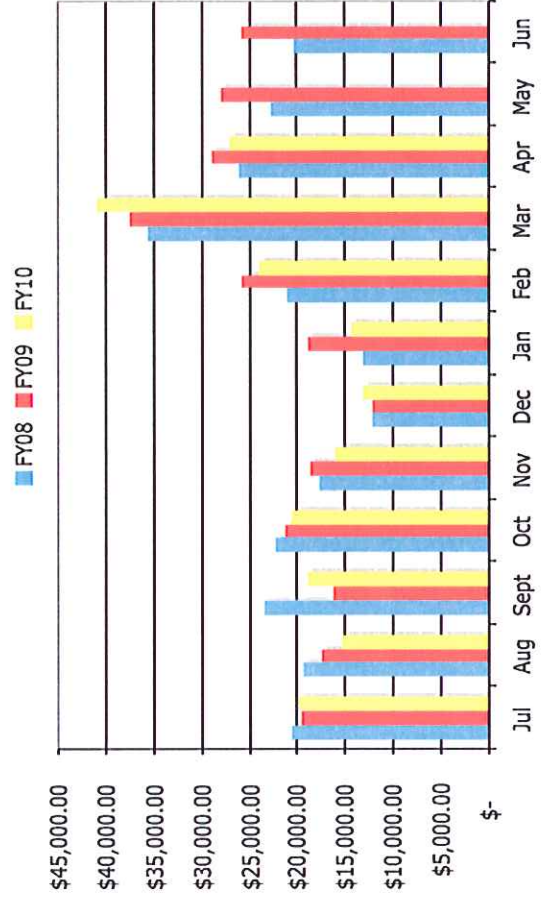
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



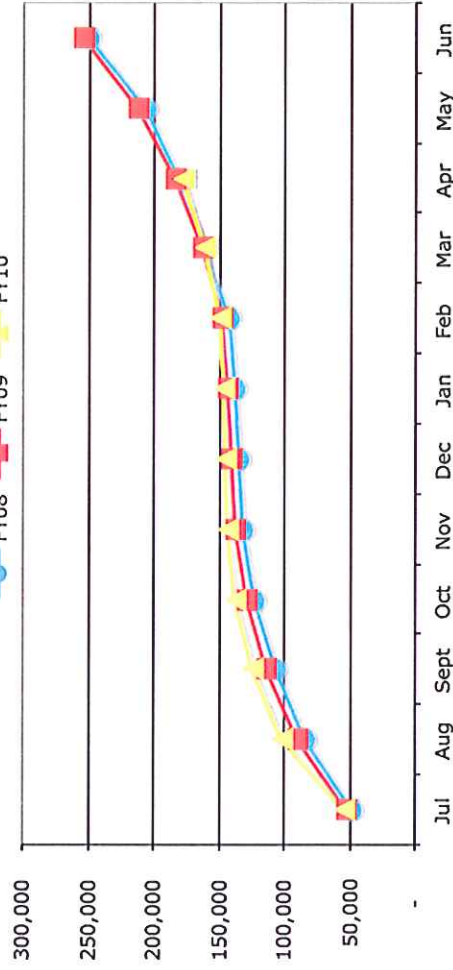
## Month to Month Revenue Comparison FY08 - FY10



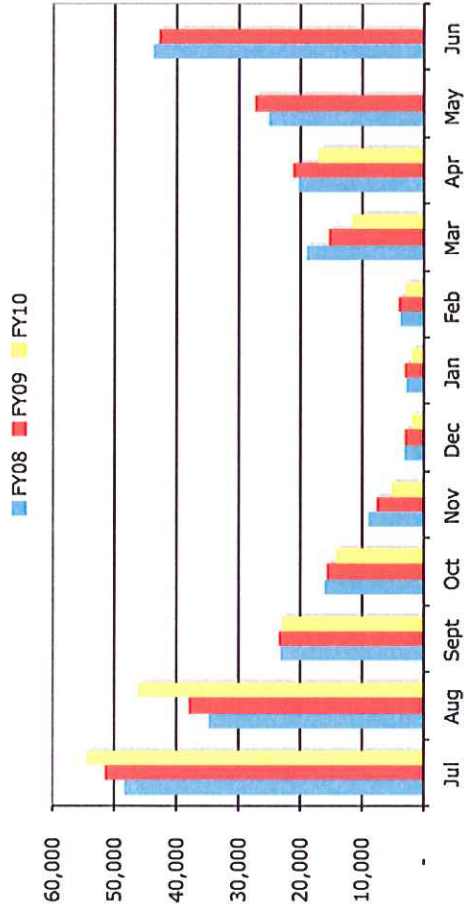
System-wide fee increases took effect on 3/1/10.

# Slide Rock State Park Visitation & Revenue

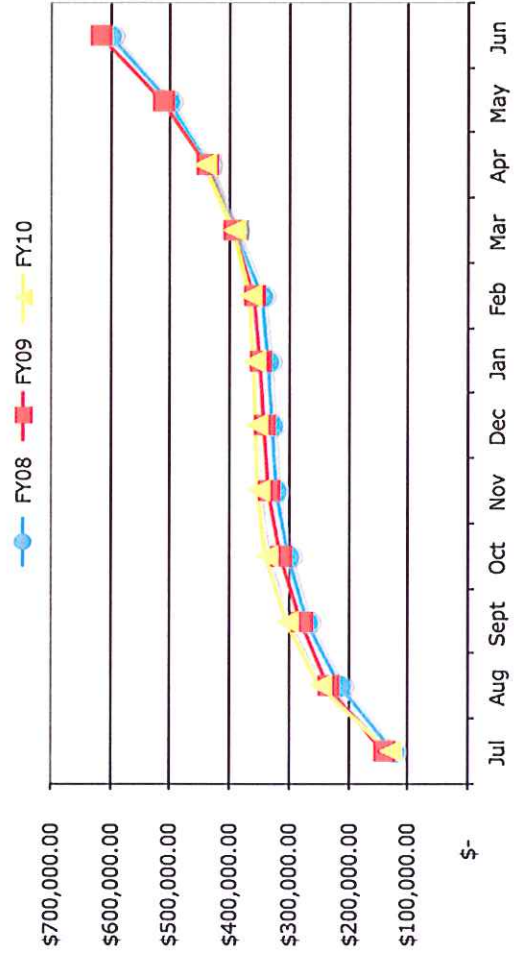
## Fiscal Year To Date Comparisons - Visitation FY08 to FY10



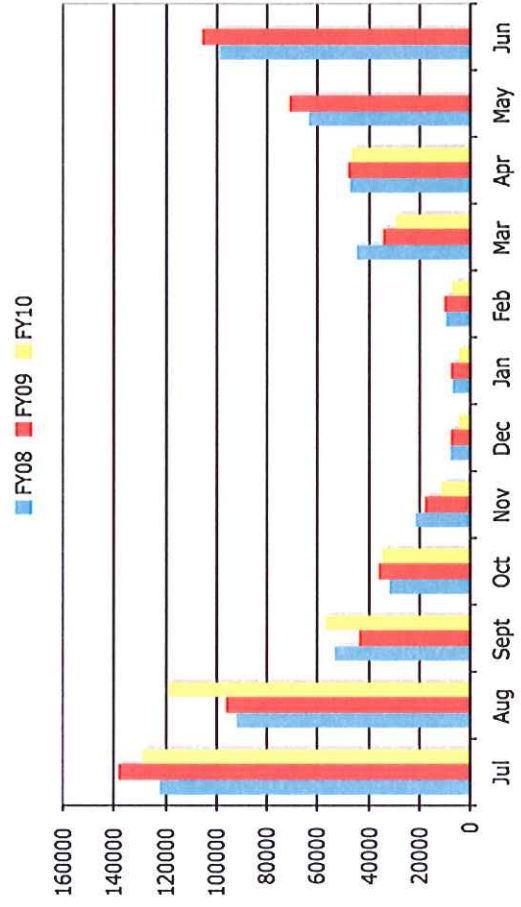
## Month to Month Visitation Comparison FY08 - FY10



## Fiscal Year To Date Comparisons - Revenue FY08 to FY10



## Month to Month Revenue Comparison FY08 - FY10



SLRO was been on a 5-day schedule since 11/3/09 through 1/27/10. Apple Festival takes place in October.

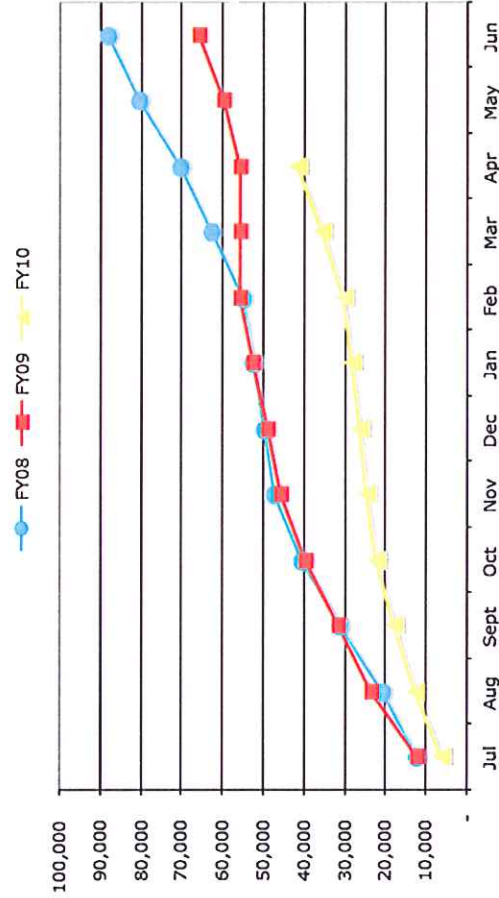
34B



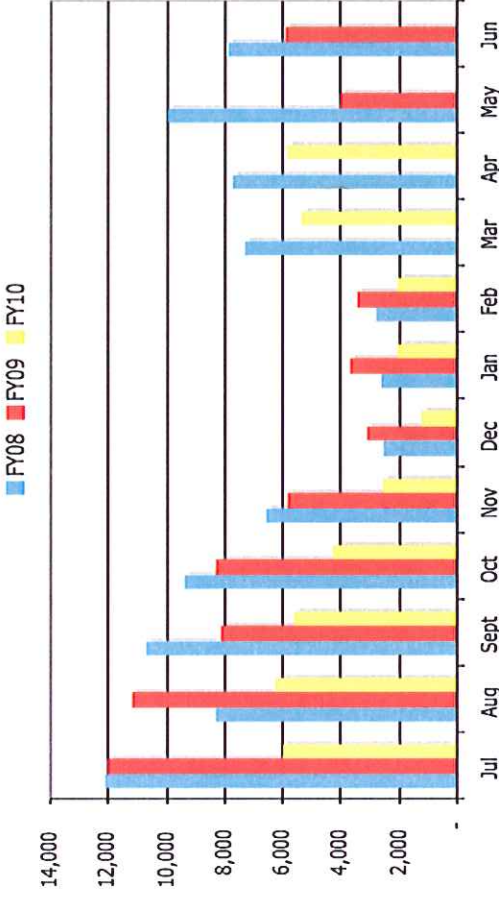
# Tonto Natural Bridge State Park Visitation & Revenue

## Fiscal Year To Date Comparisons - Visitation

FY08 to FY10

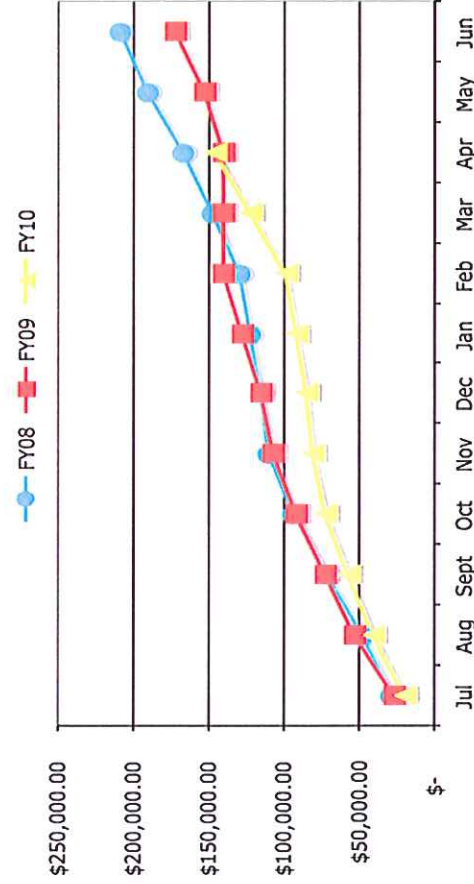


## Month to Month Visitation Comparison FY08 - FY10



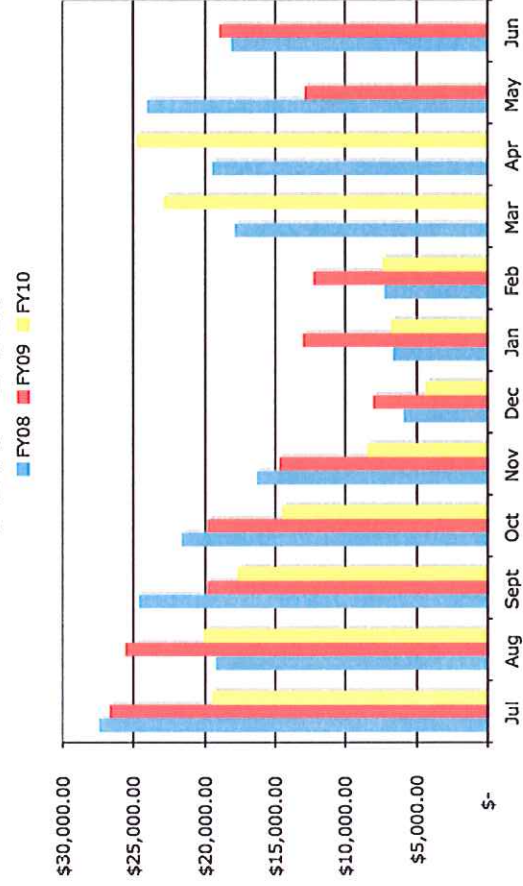
## Fiscal Year To Date Comparisons - Revenue

FY08 to FY10



## Month to Month Revenue Comparison

FY08 - FY10



Park closed for heavier than normal snowfall in Feb, FY08 & for construction beginning 2/26/09. The park was reopened on weekends only from Memorial Day, 2009 through November, 2009. Park was then transitioned to a 5-day schedule starting 11/19/09 through the present.

## **INTERNAL BUDGET PROCESS**

The Arizona State Parks budget process normally begins in March with submissions by individual parks and the Phoenix Office. The requests are reviewed by budget staff and discussed with individual section chiefs, then forwarded to Executive Staff. Based upon revenue estimates and discussions with agency leadership as to overall agency priorities, Executive Staff crafts a budget to meet the Strategic Plan goals of the agency. Executive Staff meets again with agency leadership to discuss the budget and make revisions as necessary. The recommendations are then forwarded to the Board for approval.

## **AGENCY BUDGET REQUESTS FY 2011, FY 2012 AND FY 2013**

### **Agency Operating Budget Request**

Operating Funds are the main focus of the agency budgeting process. The operating budget includes funding for FTE positions, rent, travel and other necessary expenditures to operate our parks and programs.

The FY 2011, FY 2012 and FY 2013 agency operating budgets recommended by staff are driven by a number of considerations, including:

- 1) The level of projected revenue in each year that is actually available for operations per statute and session law.
- 2) The Board's one-time legislated authority to use the Law Enforcement Boating Safety Fund (LEBSF) for agency operations in FY 2011. Currently there is no legislated authority to fund agency operations from LEBSF after FY 2011.
- 3) The projected loss of all Land Conservation Fund interest after October 30, 2010.
- 4) The 7<sup>th</sup> Special Session fund sweeps that must be applied to operating funds.
- 5) The fiscal and in-kind partner contributions continue to keep parks open.
- 6) Ensuring that operating funds are set aside for major repair and maintenance within the parks.
- 7) Ensuring a projection of sufficient cash balances forward into FY 2011, FY 2012, and FY 2013.

One key assumption for the FY 2011 through FY 2013 budgets is the continuation of the partnership agreements put in place between Arizona State Parks and local partners who have committed to providing valuable financial or in-kind resources to maintaining these valuable assets. As of May 20, 2010, the following represents a summary of where the parks system stands.



PARKS THAT NEVER CLOSED IN FY 2010

1. Buckskin Mountain State Park/River Island unit
2. Catalina State Park
3. Cattail Cove State Park
4. Dead Horse Ranch State Park
5. Fool Hollow Lake State Park
6. Kartchner Caverns State Park
7. Lake Havasu State Park
8. Patagonia Lake State Park
9. Slide Rock State Park

PARKS OPEN AND OPERATED BY AGREEMENT WITH ASP STAFF

1. Alamo Lake State Park
2. Fort Verde State Historic Park
3. Lost Dutchman State Park
4. Lyman Lake State Park (closing date Sept. 7, 2010)
5. Picacho Peak State Park
6. Red Rock State Park
7. Riordan Mansion State Historic Park (operated in cooperation with AZ Historical Society)
8. Roper Lake State Park
9. Tonto Natural Bridge State Park (closing date Sept. 27, 2010)

PARKS OPEN BY AGREEMENT WITHOUT ASP STAFF

1. Boyce Thompson Arboretum State Park
2. Tombstone Courthouse State Historic Park
3. Tubac Presidio State Historic Park
4. Yuma Prison State Historic Park
5. Yuma Quartermaster Depot State Historic Park

PARKS CLOSED TO THE PUBLIC

1. Homolovi Ruins State Historic Park
2. Jerome State Historic Park
3. McFarland State Historic Park
4. Oracle State Park
5. San Rafael State Natural Area

Looking at FY 2011 through FY 2013, we assume that ASP will be able to continue to rely on these partners' financial contributions, but also our increased revenue from the March 2010 user fee adjustment as well as decreased operating costs.

### **Important Budget Assumptions for FY 2011**

- Continued Board emphasis to keep as many parks open as possible.
- Assumes that local operating agreements in place will stay in place for FY 2011, FY 2012, and FY 2013.
- No additional Legislative Fund Reduction and Transfers (FRAT) or Excess Balance Transfers (EBTs).
- Full usage of Law Enforcement Boating Safety Fund (LEBSF) in FY 2011.
- Assumes mid-year loss of Land Conservation Fund funding.
- Overall Enhancement Fund revenues will be \$9 million.
- Transition to more seasonal Parks staff.
- Arizona State Parks (ASP) will acquire and implement an on-line reservation system in FY 2011, paid by \$200K of one-time State Lake Improvement Funds.
- Jerome State Historic Park will open to the public.
- Some seasonal staff expenses for Riordan and Red Rock and Fort Verde or other partner parks may be funded by Arizona State Parks operating funds.
- FY 2011 will be the last year of Heritage Funds (HF) for capital purposes.
- There will be \$1.0 million set aside within the agency Operating Budget for contingency capital projects and needs across the Arizona State Parks system in each FY 2011, FY 2012 and FY 2013.
- Assume that the final two scheduled annual Tonto lease payments, \$373,800 in FY 2011 and \$606,800 in FY 2012, are made from the Heritage Fund during FY 2011, rather than the Enhancement Fund. This is addressed in the Capital Improvement Plan Board Action Item.
- The FY 2011 Appropriations Report (May 24, 2010) includes \$253,900 of additional sweeps related to furloughs and performance pay elimination. Staff recommends that these additional sweeps should be paid from FY 2011 carry forward fund balances in addition to the operating budget request shown.

### **Important Budget Assumptions for FY 2012 and FY 2013**

- Maximize Enhancement Fund revenue appropriation request to the Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislature Budget Committee (JLBC).
- Budget forecasts assume no continuation of Law Enforcement Boating Safety Fund for agency operations because this was Session Law. Staff recommends requesting this continuation for the agency budget submittals.
- Assumes continuing, permanent loss of Heritage Fund and Land Conservation Fund.
- There will be \$1.0 million set aside within the agency Operating Budget for contingency capital projects and needs across the Arizona State Parks system in FY 2012 and FY 2013.
- Request the Legislature to remove the Kartchner Caverns line item from Legislative appropriations related to the Enhancement Fund.

**CONSIDER APPROVAL OF THE ARIZONA STATE PARKS  
FY 2011 (Revised), FY 2012 and FY 2013 OPERATING BUDGETS**

**Background**

Operating Funds are the main focus of the agency budgeting process. The operating budget includes funding for full-time (FTE) positions, rent/leases, and operating needs and other necessary expenditures to operate our parks and programs.

The FY 2011, FY 2012 and FY 2013 agency operating budgets recommended by staff are driven by a number of considerations, including:

- 1) The level of projected revenue in each year that is actually available for operations per statute and session law.
- 2) The Board's one-time legislated authority to use the Law Enforcement Boating Safety Fund (LEBSF) for agency operations in FY 2011. Currently there is no legislated authority to fund agency operations from LEBSF after FY 2011.
- 3) The projected loss of all Land Conservation Fund interest after October 30, 2010.
- 4) The 7<sup>th</sup> Special Session fund sweeps that must be applied to operating funds.
- 5) The fiscal and in-kind partner contributions continue to keep parks open.
- 6) Ensuring that operating funds are set aside for major repair and maintenance within the parks.
- 7) Ensuring a projection of sufficient cash balances forward into FY 2011, FY 2012, and FY 2013.

**Important Budget Assumptions for FY 2011**

- Continued Board emphasis to keep as many parks open as possible.
- Assumes that local operating agreements in place will stay in place for FY 2011, FY 2012, and FY 2013.
- No additional Legislative Fund Reduction and Transfers (FRAT) or Excess Balance Transfers (EBTs).
- Full usage of Law Enforcement Boating Safety Fund (LEBSF) in FY 2011.
- Assumes mid-year loss of Land Conservation Fund funding.
- Overall Enhancement Fund revenues will be \$9 million.
- Transition to more seasonal Parks staff.
- Arizona State Parks (ASP) will acquire and implement an on-line reservation system in FY 2011, paid by \$200K of one-time State Lake Improvement Funds.
- Jerome State Historic Park will open to the public.

- Some seasonal staff expenses for Riordan and Red Rock and Fort Verde or other partner parks may be funded by Arizona State Parks operating funds.
- FY 2011 will be the last year of Heritage Funds (HF) for capital purposes.
- There will be \$1.0 million set aside within the agency Operating Budget for contingency capital projects and needs across the Arizona State Parks system in each FY 2011, FY 2012 and FY 2013.
- Assume that the final two scheduled annual Tonto lease payments, \$373,800 in FY 2011 and \$606,800 in FY 2012, are made from the Heritage Fund during FY 2011, rather than the Enhancement Fund. This is addressed in the Capital Improvement Plan Board Action Item.
- The FY 2011 Appropriations Report (May 24, 2010) includes \$253,900 of additional sweeps related to furloughs and performance pay elimination. Staff recommends that these additional sweeps should be paid from FY 2011 carry forward fund balances in addition to the operating budget request shown.

#### **Important Budget Assumptions for FY 2012 and FY 2013**

- Maximize Enhancement Fund revenue appropriation request to the Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislature Budget Committee (JLBC).
- Budget forecasts assume no continuation of Law Enforcement Boating Safety Fund for agency operations because this was Session Law. Staff recommends requesting this continuation for the agency budget submittals.
- Assumes continuing, permanent loss of Heritage Fund and Land Conservation Fund.
- There will be \$1.0 million set aside within the agency Operating Budget for contingency capital projects and needs across the Arizona State Parks system in FY 2012 and FY 2013.
- Request the Legislature to remove the Kartchner Caverns line item from Legislative appropriations related to the Enhancement Fund.

#### **Budget Tables for FY 2011, FY 2012 and FY 2013**

Table 1 shows the changes to the agency budgets during FY 2010. The agency had Legislated sweeps of \$10.6 million (1<sup>st</sup> Regular and 5<sup>th</sup> Special Sessions) to its operating accounts of \$10.58 million, which would have reduced the FY 2010 operating budget from \$19.3 million to \$12.3 million. The Board's approval of backfills of \$8.11 million from Heritage Fund cancellation of grants and capital projects mitigated most of these cuts. In addition, there were unanticipated, positive revenue enhancements during FY 2010 from the Enhancement Fund (\$0.8 million), the State Lake Improvement Fund (\$1.7 million), and the Legislated session law permitting use of the Law Enforcement Boating Safety Fund (\$2.1 million) that combined to add another \$4.0 million to anticipated FY 2010 ending balances.

Tables 2 and 3 show five years of actual and proposed agency operating budgets from FY 2009 through FY 2013. Table 2 shows budgets in terms of agency funding sources while Table 3 shows budgets by expenditure category. The decline of \$5.9 million between FY 2009 and FY 2010 is the direct result of Legislative fund sweeps to operating account funds. If the Board had not provided its approval to backfill the \$10.4 million of FY 2010 sweeps (1<sup>st</sup> Regular Session and the 5<sup>th</sup> Special Session of 2009) to the Enhancement Fund and State Lake Improvement Fund, the FY 2010 operating budget would have been reduced to \$12.3 million. Even with these backfills, the decline in the FY 2010 operating budget to the current level of \$20.5 million includes a reduction of \$5.4 million in agency staffing expenditures.

Table 4 shows the proposed FY 2011 operating budget by revenue source, including the legislated FRAT and EBT sweeps passed in the 7<sup>th</sup> Special Session of 2010. Projected revenues of \$18.5 million are slightly above projected expenditures. Each park operated by the agency will have its own budget for FY 2011.

Tables 5 and 6 show the FY 2012 and FY 2013 proposed budgets, which are each at the same level of \$18.5 million as in FY 2011. This is the "baseline" budget presentation required by the Governor's Budget Office.

The subsequent tables show in detail the actual FY 2009, estimated FY 2010, and proposed FY 2011 and FY 2012 agency fund budgets in detail, including beginning cash balances, revenues and expenditures, and ending balances.

#### **Staff Recommendation**

Staff recommends that the Arizona State Parks Board approve the Arizona State Parks Operating Budgets for FY 2011, FY 2012, and FY 2013 as lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor's Office and Legislature as required.

#### **Recommended Board Action**

I move that the Arizona State Parks Board approve the Arizona State Parks Operating Budgets for FY 2011, FY 2012, and FY 2013 as lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor's Office and Legislature as required.

**Table 1**  
**Arizona State Parks**  
**Impact of FY 2010 Sweeps and Backfills on Agency Operating Accounts and Budgets**

<u>Fund Source</u>	<u>FY 2010</u> <u>Operating</u> <u>Accounts -</u> <u>Beginning</u> <u>Available Cash</u> <u>Balance</u>	<u>FY 2010</u> <u>1st Regular &amp; 5th</u> <u>Special Session</u> <u>Sweeps</u>	<u>FY 2010</u> <u>\2 Backfills of 1st</u> <u>Reg. and 5th</u> <u>Spec. Session</u> <u>Sweeps</u>	<u>FY 2010</u> <u>Original</u> <u>Estimated</u> <u>Operating</u> <u>Revenue</u>	<u>FY 2010</u> <u>Agency</u> <u>Operating</u> <u>Budget per</u> <u>4-21-10 Board</u> <u>Action</u>	<u>FY 2010</u> <u>Agency</u> <u>Operating</u> <u>Budget if there</u> <u>were no</u> <u>Backfills</u>	<u>FY 2010</u> <u>\1 Revenue</u> <u>Adjustments</u>
<b>Operating Accounts:</b>							
Reservation Surcharge Fund	\$75,000	(\$96,600)	\$96,600	\$303,800	(\$307,400)	(\$210,800)	\$32,000
Enhancement Fund	2,520,141	(\$5,487,100)	5,487,100	8,195,000	(7,762,200)	(2,275,100)	855,000
Law Enforcement Boating Safety Fund	0	\$0	0	0	0	0	2,136,500
Federal Historic Preservation Fund	886,206	\$0	0	696,600	(832,800)	(832,800)	36,300
Federal Recreational Trails Fund	0	\$0	0	97,000	(97,000)	(97,000)	0
State Lake Improvement Fund	1,677,364	(\$4,435,500)	4,964,000	4,981,600	(5,294,200)	(330,200)	1,685,300
Off-Highway Vehicle - Program Admin.	0	(\$50,300)	0	261,500	(261,500)	(261,500)	(6,000)
Off-Highway Vehicle - Agency Operating	0	\$0	0	692,100	(692,100)	(692,100)	0
AHF - Interest	2,373,388	(\$163,900)	(1,239,548)	270,000	(1,270,000)	(2,509,548)	(6,800)
AHF - Acquisition and Development	0	\$0	0	0	(187,400)	(187,400)	187,400
AHF - Environmental Education	1,019,891	\$0	(419,890)	500,000	(907,400)	(1,327,290)	(192,600)
AHF - Natural Areas Oper. & Mgmt.	926,126	\$0	(826,476)	400,000	(345,900)	(1,172,376)	(154,100)
AHF - Trails	0	\$0	0	100,000	(100,000)	(100,000)	0
AHF - Historic Preservation	0	\$0	0	0	(69,000)	(69,000)	69,000
Land Conservation - Program Admin.	500,000	\$0	0	0	(500,000)	(500,000)	0
Land Conservation Interest - Agency Operating	0	\$0	0	2,225,000	(1,255,000)	(1,255,000)	(590,200)
Partnerships Fund	454,621	(\$170,900)	14,000	112,400	(112,400)	(98,400)	0
Donations Fund Interest	169,448	(\$19,700)	19,700	10,000	(10,000)	9,700	(3,800)
Publications & Souvenirs Fund	262,469	(154,200)	22,700	500,000	(462,500)	(439,800)	(24,900)
<b>Total Agency Operating Budget</b>	<b>\$10,864,654</b>	<b>(\$10,578,200)</b>	<b>\$8,118,186</b>	<b>\$19,345,000</b>	<b>(\$20,466,800)</b>	<b>(\$12,348,614)</b>	<b>\$4,023,100</b>

Note: Positive numbers represent increases to cash; negative numbers represent reductions to cash.

\1 FY 2010 revenue adjustments to operating accounts includes: Heritage Fund diversion; shortfall of LCF Interest earnings; retention of LEBSF for operating; revenues above original projections in SLIF, Reservation Surcharge, and Enhancement Funds; transfer of capital revenues to fund 3 FTEs.

\2 Backfill to SLIF operating account includes backfill of sweeps to SLIF Capital funds. Those Capital projects were not reinstated.

**Table 2**  
**Arizona State Parks**  
**FY 2009 - FY 2013 Agency Operating Budget by Funding Source**

<u>Fund Source</u>	<u>FY 2009</u> <u>Original</u> <u>Budget Before</u> <u>Sweeps</u>	<u>FY 2010</u> <u>Per 4-21-10</u> <u>Board Action</u>	<u>FY 2011</u> <u>Operating</u> <u>Budget</u> <u>Estimate</u>	<u>FY 2012</u> <u>Operating</u> <u>Budget</u> <u>Request</u>	<u>FY 2013</u> <u>Operating</u> <u>Budget</u> <u>Request</u>
General Fund	8,338,200	0	0	0	0
Reservation Surcharge Fund	\$548,000	\$307,400	\$243,400	\$340,000	\$340,000
Enhancement Fund	7,344,000	7,762,200	5,590,200	9,994,600	9,994,600
Law Enforcement Boating Safety Fund	0	0	3,636,500	0	0
Federal Historic Preservation Fund	940,000	832,800	896,500	896,500	896,500
Federal Recreational Trails Fund	125,000	97,000	103,500	103,500	103,500
State Lake Improvement	3,150,000	5,294,200	5,250,000	5,250,000	5,250,000
Off-Highway Vehicle - Program Admin.	360,000	261,500	249,700	300,000	300,000
Off-Highway Vehicle - Agency Operating	692,100	692,100	692,100	692,100	692,100
AHF - Interest	2,000,000	1,270,000	20,000	0	0
AHF - Acquisition and Development	0	187,400	0	0	0
AHF - Environmental Education	615,000	907,400	0	0	0
AHF - Natural Areas Oper. & Mgmt.	555,000	345,900	0	0	0
AHF - Trails	0	100,000	0	0	0
AHF - Historic Preservation	0	69,000	0	0	0
Land Conservation - Program Admin.	500,000	500,000	455,000	0	0
Land Conservation - Agency Operating	0	1,255,000	500,000	0	0
Partnerships Fund	207,400	112,400	617,700	617,700	617,700
Donations Fund Interest	265,000	10,000	10,000	10,000	10,000
Publications & Souvenirs Fund	650,000	462,500	189,800	250,000	250,000
<b>Total Annual Agency Operating Budget</b>	<b>\$26,289,700</b>	<b>\$20,466,800</b>	<b>\$18,454,400</b>	<b>\$18,454,400</b>	<b>\$18,454,400</b>

**Table 3**  
**Arizona State Parks**  
**FY 2009 - FY 2013 Agency Operating Budget by Category of Expense**

<u>Category of Expense</u>	<u>FY 2009</u> <u>Original</u> <u>Budget Before</u> <u>Sweeps</u>	<u>FY 2010</u> <u>Per 4-21-10</u> <u>Board Action</u>	<u>FY 2011</u> <u>Operating</u> <u>Budget</u> <u>Estimate</u>	<u>FY 2012</u> <u>Operating</u> <u>Budget</u> <u>Request</u>	<u>FY 2013</u> <u>Operating</u> <u>Budget</u> <u>Request</u>
Personal Services	\$13,998,500	\$10,096,600	\$8,797,700	\$8,797,700	\$8,797,700
Employee Related Expenditures (ERE)	5,856,000	4,399,800	3,778,200	3,778,200	3,778,200
<b>Subtotal Personal Services and ERE</b>	<b>\$19,854,500</b>	<b>\$14,496,400</b>	<b>\$12,575,900</b>	<b>\$12,575,900</b>	<b>\$12,575,900</b>
Professional and Outside Services	\$241,200	\$221,700	\$273,500	\$273,500	\$273,500
In-State Travel	447,700	124,100	58,900	58,900	58,900
Out-of-State Travel	5,000	100	5,000	5,000	5,000
Other Operating Expenditures	5,656,300	5,501,900	5,182,400	5,182,400	5,182,400
Non-Capital Equipment	35,000	90,300	58,700	58,700	58,700
Capital Equipment	50,000	32,300	300,000	300,000	300,000
<b>Subtotal All Other Operating</b>	<b>\$6,435,200</b>	<b>\$5,970,400</b>	<b>\$5,878,500</b>	<b>\$5,878,500</b>	<b>\$5,878,500</b>
<b>Total Annual Agency Operating Budget</b>	<b>\$26,289,700</b>	<b>\$20,466,800</b>	<b>\$18,454,400</b>	<b>\$18,454,400</b>	<b>\$18,454,400</b>



**Table 4**  
**Arizona State Parks**  
**FY 2011 Estimated Operational Cash Flow**

<u>Fund Source</u>	<u>FY 2011 Estimated</u> <u>Beginning</u> <u>Operational Cash</u> <u>Balance</u>	<u>FY 2011</u> <u>Estimated</u> <u>Revenue for</u> <u>Operations</u>	<u>FY 2011 7th</u> <u>Special Session</u> <u>FRATs and</u> <u>EBTs to</u> <u>Operational</u> <u>Cash</u>	<u>FY 2011</u> <u>Estimated</u> <u>Operating</u> <u>Expenditures</u>	<u>FY 2011</u> <u>Estimated</u> <u>Ending</u> <u>Operational</u> <u>Cash Balance</u>
<b>Agency-Wide Operations:</b>					
Reservation Surcharge Fund	\$75,000	\$340,000	(\$96,600)	(\$243,400)	\$75,000
State Lake Improvement Fund	3,589,400	4,900,000	(873,500)	(5,250,000)	2,365,900
Law Enforcement Boating Safety Fund	2,136,500	1,500,000	0	(3,636,500)	0
Enhancement Fund	3,706,100	9,050,000	(1,954,800)	(5,590,200)	5,211,100
Off-Highway Vehicle Fund	0	692,100	0	(692,100)	0
Heritage Fund	10,000	10,000	0	(20,000)	0
Land Conservation Fund	0	455,000	0	(455,000)	0
<b>Subtotal Agency-Wide Operations</b>	<b>\$9,517,000</b>	<b>\$16,947,100</b>	<b>(\$2,924,900)</b>	<b>(\$15,387,200)</b>	<b>\$7,652,000</b>
<b>Special Program Operations:</b>					
Federal Funds	\$784,600	\$868,100	\$0	(\$1,000,000)	\$652,700
Off-Highway Vehicle Fund - Program Operations	0	300,000	(50,300)	(249,700)	0
Land Conservation - Program Operations	500,000	0	0	(500,000)	0
Partnerships Fund	215,900	617,700	(68,300)	(617,700)	147,600
Donations Fund Interest	175,600	3,900	(19,700)	(10,000)	149,800
Publications & Souvenirs Fund	125,800	250,000	(60,200)	(189,800)	125,800
<b>Subtotal Special Program Operations</b>	<b>\$1,801,900</b>	<b>\$2,039,700</b>	<b>(\$198,500)</b>	<b>(\$2,567,200)</b>	<b>\$1,075,900</b>
<b>Total Agency Operations</b>	<b>\$11,318,900</b>	<b>\$18,986,800</b>	<b>(\$3,123,400)</b>	<b>(\$18,454,400)</b>	<b>\$8,727,900</b>

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**Table 5**  
**Arizona State Parks**  
**FY 2012 Estimated Operational Cash Flow**

<u>Fund Source</u>	<u>FY 2012 Estimated</u> <u>Beginning</u> <u>Operational Cash</u> <u>Balance</u>	<u>FY 2012</u> <u>Estimated</u> <u>Revenue for</u> <u>Operations</u>	<u>FY 2012 7th</u> <u>Special Session</u> <u>FRATs and</u> <u>EBTs to</u> <u>Operational</u> <u>Cash</u>	<u>FY 2012</u> <u>Estimated</u> <u>Operating</u> <u>Expenditures</u>	<u>FY 2012</u> <u>Estimated</u> <u>Ending</u> <u>Operational</u> <u>Cash Balance</u>
<b>Agency-Wide Operations:</b>					
Reservation Surcharge Fund	\$75,000	\$340,000	\$0	(\$340,000)	\$75,000
State Lake Improvement Fund	2,365,900	4,900,000	0	(5,250,000)	2,015,900
Law Enforcement Boating Safety Fund	0	0	0	0	0
Enhancement Fund	5,211,100	9,050,000	0	(9,994,600)	4,266,500
Off-Highway Vehicle Fund	0	692,100	0	(692,100)	0
Heritage Fund	0	0	0	0	0
Land Conservation Fund	0	0	0	0	0
<b>Subtotal Agency-Wide Operations</b>	<b>\$7,652,000</b>	<b>\$14,982,100</b>	<b>\$0</b>	<b>(\$16,276,700)</b>	<b>\$6,357,400</b>
<b>Special Program Operations:</b>					
Federal Funds	\$652,700	\$868,100	\$0	(\$1,000,000)	\$520,800
Off-Highway Vehicle Fund - Program Operations	0	300,000	0	(300,000)	0
Land Conservation - Program Operations	0	0	0	0	0
Partnerships Fund	147,600	617,700	0	(617,700)	147,600
Donations Fund Interest	149,800	3,900	0	(10,000)	143,700
Publications & Souvenirs Fund	125,800	250,000	0	(250,000)	125,800
<b>Subtotal Special Program Operations</b>	<b>\$1,075,900</b>	<b>\$2,039,700</b>	<b>\$0</b>	<b>(\$2,177,700)</b>	<b>\$937,900</b>
<b>Total Agency Operations</b>	<b>\$8,727,900</b>	<b>\$17,021,800</b>	<b>\$0</b>	<b>(\$18,454,400)</b>	<b>\$7,295,300</b>

**Table 6**  
**Arizona State Parks**  
**FY 2013 Estimated Operational Cash Flow**

<u>Fund Source</u>	<u>FY 2013 Estimated</u> <u>Beginning</u> <u>Operational Cash</u> <u>Balance</u>	<u>FY 2013</u> <u>Estimated</u> <u>Revenue for</u> <u>Operations</u>	<u>FY 2013 7th</u> <u>Special Session</u> <u>FRATs and</u> <u>EBTs to</u> <u>Operational</u> <u>Cash</u>	<u>FY 2013</u> <u>Estimated</u> <u>Operating</u> <u>Expenditures</u>	<u>FY 2013</u> <u>Estimated</u> <u>Operational</u> <u>Cash Balance</u>
<b>Agency-Wide Operations:</b>					
Reservation Surcharge Fund	\$75,000	\$340,000	\$0	(\$340,000)	\$75,000
State Lake Improvement Fund	\$2,015,900	4,900,000	0	(5,250,000)	1,665,900
Law Enforcement Boating Safety Fund	\$0	0	0	0	0
Enhancement Fund	\$4,266,500	9,050,000	0	(9,994,600)	3,321,900
Off-Highway Vehicle Fund	\$0	692,100	0	(692,100)	0
Heritage Fund	\$0	0	0	0	0
Land Conservation Fund	0	0	0	0	0
<b>Subtotal Agency-Wide Operations</b>	<b>\$6,357,400</b>	<b>\$14,982,100</b>	<b>\$0</b>	<b>(\$16,276,700)</b>	<b>\$5,062,800</b>
<b>Special Program Operations:</b>					
Federal Funds	\$520,800	\$868,100	\$0	(\$1,000,000)	\$388,900
Off-Highway Vehicle Fund - Program Operations	0	300,000	0	(300,000)	0
Land Conservation - Program Operations	0	0	0	0	0
Partnerships Fund	147,600	617,700	0	(617,700)	147,600
Donations Fund Interest	143,700	3,900	0	(10,000)	137,600
Publications & Souvenirs Fund	125,800	250,000	0	(250,000)	125,800
<b>Subtotal Special Program Operations</b>	<b>\$937,900</b>	<b>\$2,039,700</b>	<b>\$0</b>	<b>(\$2,177,700)</b>	<b>\$799,900</b>
<b>Total Agency Operations</b>	<b>\$7,295,300</b>	<b>\$17,021,800</b>	<b>\$0</b>	<b>(\$18,454,400)</b>	<b>\$5,862,700</b>

**FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
General Fund**

Source of Funds	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Balance Forward - Operating Funds	\$ 82,300	\$ 800	\$ -	\$ -
Appropriation - Operating	8,597,400	-	-	-
Appropriation - Growing Smarter	20,000,000	20,000,000	20,000,000	-
Appropriation - Arizona Trail	125,000	-	-	-
Appropriation - General Fund Loan	-	1,900,000	-	-
<b>Total - Source of Funds</b>	<b>\$ 28,804,700</b>	<b>\$ 21,900,800</b>	<b>\$ 20,000,000</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	92.00	-	-	-
Personal Services	\$ (670,400)	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	(1,267,500)	-	-	-
Subtotal - Personal Services/ERE	\$ (1,937,900)	\$ -	\$ -	\$ -
Professional & Outside Services	\$ (13,200)	\$ -	\$ -	\$ -
Travel - In State	(30,800)	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures (OOE)	(1,468,200)	-	-	-
Non-Cap Equipment	(34,300)	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (1,546,500)	\$ -	\$ -	\$ -
Subtotal Agency Operating	\$ (3,484,400)	\$ -	\$ -	\$ -
Administrative Adjustments - Operating	\$ (16,300)	\$ (800)	\$ -	\$ -
Transfer to Land Conservation Fund	(20,000,000)	(20,000,000)	(20,000,000)	-
Transfer to Arizona Trail Fund	(125,000)	-	-	-
Reversion to State General Fund	(5,178,200)	(1,900,000)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (28,803,900)</b>	<b>\$ (21,900,800)</b>	<b>\$ (20,000,000)</b>	<b>\$ -</b>
<b>Ending Balance - Operating Funds</b>	<b>\$ 800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes and Adjustments:**

FY 2009 General Fund agency operating appropriation of \$8.6M was reduced to \$3.4M; the remaining \$5.2M was reverted.  
 No General Fund agency operating appropriations have been made to Arizona State Parks for FY 2010 or future fiscal years.  
 A.R.S. 41-511.23 appropriates \$20 million annually to the Land Conservation Fund (Growing Smarter) through FY 2011.  
 Laws 2009, 49th Leg., 1st Reg. Sess., Ch. 12, HB 2643 Sec 59 appropriates \$1.9 million of General Fund to State Parks in FY 2010.  
 This appropriation is a LOAN for cash flow purposes, to be paid back from any agency fund by June 30, 2010.  
 This appropriation does NOT increase the agency's total FY 2010 legislated operating expenditure authority.  
 This appropriated FY 2010 LOAN will be repaid during June 2010 by returning the original cash funding to the State General Fund.  
 The FY 2010 Arizona Trail line item did NOT receive any General Fund appropriation; therefore, the program was not funded.  
 The FY 2011 General Appropriations bill does not contain an Arizona Trail line item.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates

**Reservation Surcharge Fund**

Source of Funds	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Balance Forward - Operating Fund	\$ 66,000	\$ 75,000	\$ 75,000	\$ 75,000
Revenue	305,900	335,900	340,000	340,000
<b>Total - Source of Funds</b>	<b>\$ 371,900</b>	<b>\$ 410,900</b>	<b>\$ 415,000</b>	<b>\$ 415,000</b>
<b>Disposition of Funds</b>				
FTE Positions	8.00	4.00	27 pay periods 6.00	6.00
Personal Services	\$ (160,700)	\$ (160,300)	\$ (163,400)	\$ (157,400)
Employee Related Expenditures (ERE)	(66,500)	(65,400)	(80,000)	(77,100)
Subtotal - Personal Services/ERE	\$ (227,200)	\$ (225,700)	\$ (243,400)	\$ (234,500)
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(16,500)	(110,200)	-	(105,500)
Non-Cap Equipment	(4,300)	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (20,800)	\$ (110,200)	\$ -	\$ (105,500)
Subtotal Agency Operating	\$ (248,000)	\$ (335,900)	\$ (243,400)	\$ (340,000)
<b>Total - Disposition of Funds</b>	<b>\$ (248,000)</b>	<b>\$ (335,900)</b>	<b>\$ (243,400)</b>	<b>\$ (340,000)</b>
Revenue Reversion to General Fund	\$ -	\$ -	\$ -	\$ -
Legislated Sweeps and Transfers	\$ (48,900)	\$ (96,600)	\$ (96,600)	\$ -
Cash Transfer Backfill (JLBC review required)	\$ -	\$ 96,600	\$ -	\$ -
<b>Variance - Balance Forward</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>

Notes and Adjustments:

A.R.S. 41-511.24 states that monies in excess of \$75,000 remaining in the fund at the end of the fiscal year shall revert to the General Fund. FY 2010 estimated Other Operating Expenditures reflects the partial cost of initial implementation of a new Reservation System.

This system will not be implemented until FY 2011, and the projected expenditure savings in FY 2010 will be allocated during FY 2010 to offset costs incurred during the preparation of Reservation System proposal specifications.

The cost of the FY 2011 implementation of the new Reservation System will be funded from the State Lake Improvement fund portion of the FY 2011 agency operating budget.

FY 2011 footnote in the General Appropriations Act appropriates all receipts into the Reservation Surcharge Fund to Arizona State Parks; however, expenditures in excess of \$207,600 require prior notification to JLBC regarding the intended use of the funds.

Projected FY 2011 expenditures will require notification to the JLBC to fully fund the budgeted 6 FTEs through the end of the fiscal year.



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**FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Enhancement Fund**

Source of Funds	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Balance Forward - Agency Operating	\$ 4,702,600	\$ 2,494,800	\$ 3,706,100	\$ 5,211,100
Balance Forward - Yuma QMD 41-511.11C(1)	\$ 65,300	\$ (400)	\$ -	\$ -
Balance Forward - San Rafael 41.511.11C(2)	\$ 25,700	\$ 25,700	\$ 14,800	\$ 14,800
Revenue - Appropriation	\$ 9,507,700	\$ 7,831,200	\$ 7,831,200	\$ 7,831,200
Revenue - Above (Below) Appropriation	26,400	1,218,800	1,218,800	1,218,800
Yuma Quartermaster Depot 41-511.11C	-	-	-	-
<b>Total - Source of Funds</b>	<b>\$ 14,327,700</b>	<b>\$ 11,570,100</b>	<b>\$ 12,770,900</b>	<b>\$ 14,275,900</b>
<b>Disposition of Funds</b>			78 perm; 13.75 temp 27 pay periods	
FTE Positions	139.30	145.00	91.75	TBD
Personal Services	(6,099,600)	(3,990,400)	(3,447,800)	(9,994,600)
Employee Related Expenditures (ERE)	(2,284,200)	(1,942,800)	(1,623,700)	-
<b>Subtotal - Personal Services/ERE</b>	<b>\$ (8,383,800)</b>	<b>\$ (5,933,200)</b>	<b>\$ (5,071,500)</b>	<b>\$ (9,994,600)</b>
Professional & Outside Services	(30,000)	(2,200)	(100,000)	-
Travel - In State	(19,300)	(8,600)	(1,300)	-
Travel - Out State	-	-	-	-
Other Operating Expenditures (OOE)	(516,100)	(1,654,200)	(405,200)	-
Non-Cap Equipment	(9,900)	(11,500)	(12,200)	-
Capital Equipment	-	-	-	-
<b>Subtotal - All OOE</b>	<b>\$ (575,300)</b>	<b>\$ (1,676,500)</b>	<b>\$ (518,700)</b>	<b>\$ -</b>
One-Time Expenditures	-	(221,500)	-	-
<b>Subtotal Agency Operating</b>	<b>\$ (8,959,100)</b>	<b>\$ (7,831,200)</b>	<b>\$ (5,590,200)</b>	<b>\$ (9,994,600)</b>
Yuma Quartermaster Depot 41-511.11C(1)	(65,700)	400	-	-
San Rafael Filming Account 41-511.11C(2)	-	(10,900)	-	-
Capital/Tonto Lease (from cash bal. fwd.)	(372,700)	-	-	-
Other Agency Capital Outlay	-	-	-	-
Administrative Adjustments	(18,300)	(7,500)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (9,415,800)</b>	<b>\$ (7,849,200)</b>	<b>\$ (5,590,200)</b>	<b>\$ (9,994,600)</b>
Legislated Sweeps and Transfers	(5,391,800)	(5,487,100)	(1,954,800)	-
Cash Transfer Backfill (JLBC review req'd)	3,000,000	5,487,100	-	-
<b>Variance - Balance Forward</b>	<b>\$ 2,520,100</b>	<b>\$ 3,720,900</b>	<b>\$ 5,225,900</b>	<b>\$ 4,281,300</b>

**Notes and Adjustments:**

FY 2010, FY 2011 and FY 2012 Tonto lease purchase payments are budgeted from Heritage Acquisition & Development Fund.  
The FY 2012 payment is the final ADOA COP Lease Purchase Payment for the acquisition of Tonto Natural Bridge State Park.  
Staff recommends that both the FY 2011 and FY2012 (final) payments be made DURING FY 2011 from the Heritage A&D Fund.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Law Enforcement and Boating Safety Fund (LEBSF)

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Source of Funds				
Balance Forward	\$ -	\$ -	\$ 2,136,500	\$ -
Prior Year Refunds	18,500	45,500	-	-
LEBSF Revenue	2,345,300	2,091,000	2,000,000	2,000,000
<b>Total - Source of Funds</b>	<b>\$ 2,363,800</b>	<b>\$ 2,136,500</b>	<b>\$ 4,136,500</b>	<b>\$ 2,000,000</b>
Disposition of Funds				
FTE Positions	-	-	27 pay periods 26.25 perm FTE; 15.25 temp FTE	-
Personal Services	\$ -	\$ -	\$ (1,541,000)	\$ -
Employee Related Expenditures (ERE)	-	-	(665,700)	-
Subtotal - Personal Services/ERE	\$ -	\$ -	\$ (2,206,700)	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	(1,401,300)	-
Non-Cap Equipment	-	-	(28,500)	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ (1,429,800)	\$ -
Subtotal - Lump Sum Operating	\$ -	\$ -	\$ (3,636,500)	\$ -
Pass Through Grants and Aid	(1,863,800)	-	(500,000)	(2,000,000)
<b>Total - Disposition of Funds</b>	<b>\$ (1,863,800)</b>	<b>\$ -</b>	<b>\$ (4,136,500)</b>	<b>\$ (2,000,000)</b>
Legislative Sweeps and Transfers	(500,000)	-	-	-
Cash Transfer Backfill (JLBC review req'd)	-	-	-	-
<b>Variance - Balance Forward</b>	<b>\$ -</b>	<b>\$ 2,136,500</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Per ASP Board action of April 21, 2010, no disbursements will be made in FY 2010 from the LEBSF.

Laws 2010, 49th Leg., 7th Sp. Sess., HB 2007, Sec 6, appropriates all LEBSF funds above \$500K

for FY 2011 agency operations. The remaining \$500K may only be granted to La Paz and Mohave counties.

FY 2012 expenditure projections PRESUME NO legislated authority for continued use of LEBSF for agency operations.

However, the agency will request the continuation of the current \$1.5 million LEBSF operating authority

into FY 2012 and FY 2013, through the agency budget submission process and through legislative action.

Until that legislated authority is granted, all FY 2012 revenues are projected to be expended as Pass Through Grants.

**FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Federal Funds - Historic Preservation**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Operating Fund	\$ 980,000	\$ 886,200	\$ 784,600	\$ 652,600
Revenue - HPP Operating	\$ 670,100	\$ 732,900	\$ 764,500	\$ 764,500
Revenue - HPP Pass Through	50,200	110,500	85,000	85,000
<b>Total - Source of Funds</b>	<b>\$ 1,700,300</b>	<b>\$ 1,729,600</b>	<b>\$ 1,634,100</b>	<b>\$ 1,502,100</b>
<b>Disposition of Funds</b>				
			27 pay periods	
FTE Positions	7.00	9.00	10.00	10.00
Personal Services	\$ (341,600)	\$ (416,400)	\$ (495,100)	\$ (476,800)
Employee Related Expenditures (ERE)	(146,600)	(176,300)	(209,300)	(201,600)
Subtotal - Personal Services/ERE	\$ (488,200)	\$ (592,700)	\$ (704,400)	\$ (678,400)
Professional & Outside Services	(168,100)	-	-	-
Travel - In State	(8,500)	(12,000)	(4,800)	(4,800)
Travel - Out State	-	-	-	-
Other Operating Expenditures	(91,400)	(91,900)	(55,400)	(81,400)
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (268,000)	\$ (103,900)	\$ (60,200)	\$ (86,200)
One-Time Operating Expenditures	-	(136,200)	(131,900)	(52,500)
Subtotal Operating	\$ (756,200)	\$ (832,800)	\$ (896,500)	\$ (817,100)
Administrative Adjustments	\$ (7,700)	\$ (1,700)	-	-
Pass Through Grants and Aid	\$ (50,200)	\$ (110,500)	\$ (85,000)	\$ (85,000)
<b>Total - Disposition of Funds</b>	<b>\$ (814,100)</b>	<b>\$ (945,000)</b>	<b>\$ (981,500)</b>	<b>\$ (902,100)</b>
<b>Variance - Balance Forward</b>	<b>\$ 886,200</b>	<b>\$ 784,600</b>	<b>\$ 652,600</b>	<b>\$ 600,000</b>

Notes and Adjustments:

FY 2011 and FY 2012 revenues are based on the FFY 2010 apportionment of \$849,500

Grants are administered as non-lapsing and as non-operating expenditures.

One-time operating expenditures reflect database design and implementation costs for the State Historic Preservation Office.

The increased FTE count for FY 2010, FY 2011 and FY 2012 reflects the loss of the General Fund and Heritage Fund support for these positions.



FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates

**Federal Funds - Recreational Trails**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - operating fund	\$ 2,700	\$ -	\$ -	\$ -
Revenue - operating	\$ 87,700	\$ 97,000	\$ 103,500	\$ 103,500
Revenue - Grants, Projects, Education	1,875,100	2,423,100	3,100,300	3,100,300
<b>Total - Source of Funds</b>	<b>\$ 1,965,500</b>	<b>\$ 2,520,100</b>	<b>\$ 3,203,800</b>	<b>\$ 3,203,800</b>
<b>Disposition of Funds</b>				
FTE Positions	2.00	2.00	27 pay periods 1.67	1.75
Personal Services	\$ (39,600)	\$ (46,700)	\$ (74,900)	\$ (75,600)
Employee Related Expenditures (ERE)	(17,500)	(17,900)	(24,000)	(24,200)
Subtotal - Personal Services/ERE	\$ (57,100)	\$ (64,600)	\$ (98,900)	\$ (99,800)
Professional & Outside Services	\$ -	\$ -	-	-
Travel - In State	(900)	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(7,800)	(32,400)	(4,600)	(3,700)
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (8,700)	\$ (32,400)	\$ (4,600)	\$ (3,700)
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ (65,800)	\$ (97,000)	\$ (103,500)	\$ (103,500)
Administrative Adjustments	\$ (24,600)	\$ (49,000)	\$ -	\$ -
Grants, Aid Projects, Education	\$ (1,875,100)	\$ (2,374,100)	\$ (3,100,300)	\$ (3,100,300)
<b>Total - Disposition of Funds</b>	<b>\$ (1,965,500)</b>	<b>\$ (2,520,100)</b>	<b>\$ (3,203,800)</b>	<b>\$ (3,203,800)</b>
<b>Variance - Balance Forward</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0)</b>

Notes and Adjustments:

FY 2011 and FY 2012 revenues are based on the FFY 2009 Federal program apportionment.

Distribution of funding for each Federal apportionment year is as follows:

7% for Administration

5% for Education

88% for Grants and Projects

Education, Grants and Projects are administered as non-lapsing and non-operating.



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FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
**Federal Funds - Land and Water Conservation Fund and Other Agreements**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Agreements	\$ 191,800	\$ 81,400	\$ 60,700	\$ 60,700
Revenue - Agreements	151,800	115,900	100,000	100,000
Revenue - Land & Water Conservation Fund	1,164,000	1,427,300	1,002,400	518,900
<b>Total - Source of Funds</b>	<b>\$ 1,507,600</b>	<b>\$ 1,624,600</b>	<b>\$ 1,163,100</b>	<b>\$ 679,600</b>
<b>Disposition of Funds</b>				
FTE Positions	-	-	-	-
Personal Services	\$ -	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	-	-	-	-
Subtotal - Personal Services/ERE	\$ -	\$ -	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ -	\$ -	\$ -	\$ -
Federal Agreements	\$ (262,200)	\$ (136,600)	\$ (100,000)	\$ (100,000)
LWCF Pass Through Grants	\$ (708,500)	\$ (755,500)	\$ (167,900)	\$ (518,900)
LWCF Capital Outlay	\$ (455,500)	\$ (671,800)	\$ (834,500)	-
<b>Total - Disposition of Funds</b>	<b>\$ (1,426,200)</b>	<b>\$ (1,563,900)</b>	<b>\$ (1,102,400)</b>	<b>\$ (618,900)</b>
<b>Variance - Balance Forward</b>	<b>\$ 81,400</b>	<b>\$ 60,700</b>	<b>\$ 60,700</b>	<b>\$ 60,700</b>

**Notes and Adjustments:**

FY 2011 Federal Land and Water Conservation Fund (LWCF) revenues and expenditures are based on the completion in FY 2011 of all currently awarded LWCF pass through grants and State Parks capital projects.

FY 2012 Federal LWCF revenues and expenditures are projected at the level of the FFY 2009 apportionment amount.

With the elimination of the Heritage Fund, source of the 50/50 matching funds for State Parks LWCF capital projects, the FY 2012 apportionment is anticipated to be used for pass through grants only.

Other Federal agreements include:

- United State Coast Guard contribution toward the operation of the Lake Havasu Water Safety Center.
- Bureau of Land Management (BLM) - AZSite Database project for the State Historic Preservation Office
- Multiple Federal contributors to the Arizona Site Steward Program
- Federal Emergency Management Administration (FEMA) for emergency assistance for flood damage repairs.
- U. S. Army Corps of Engineers for mitigation of construction damage along the Verde River Greenway.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
State Lake Improvement Fund (SLIF)

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011, <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Operating Funds	\$ 3,150,000	\$ 1,677,400	\$ 3,589,400	\$ 2,365,900
Balance Forward - Capital Funds	4,567,800	1,309,800	667,300	-
Balance Forward - Grant Funds	10,436,200	240,400	-	-
Unobligated Balance Forward	4,692,700	-	-	-
SLIF Revenues	8,700,200	6,666,800	4,900,000	4,900,000
<b>Total - Source of Funds</b>	<b>\$ 31,546,900</b>	<b>\$ 9,894,400</b>	<b>\$ 9,156,700</b>	<b>\$ 7,265,900</b>
<b>Disposition of Funds</b>				
FTE Positions	29.00	100.30	27 pay periods 33.67	36.50
Personal Services	\$ (1,319,600)	\$ (2,125,700)	\$ (1,795,800)	\$ (1,874,300)
Employee Related Expenditures (ERE)	(471,200)	(929,000)	(810,700)	(845,700)
Subtotal - Personal Services/ERE	\$ (1,790,800)	\$ (3,054,700)	\$ (2,606,500)	\$ (2,720,000)
Professional & Outside Services	\$ (58,800)	\$ (14,600)	\$ (13,600)	\$ (13,600)
Travel - In State	(50,500)	(83,500)	(33,200)	(33,200)
Travel - Out State	(1,900)	(100)	-	-
Other Operating Expenditures	(721,600)	(1,581,400)	(2,243,700)	(2,130,200)
Non-Cap Equipment	(30,900)	(50,400)	(3,000)	(3,000)
Capital Equipment	-	(9,500)	-	-
Subtotal - All OOE	\$ (863,700)	\$ (1,739,500)	\$ (2,293,500)	\$ (2,180,000)
One-Time Expenditures	-	(500,000)	(350,000)	(350,000)
Subtotal Operating	\$ (2,654,500)	\$ (5,294,200)	\$ (5,250,000)	\$ (5,250,000)
Administrative Adjustments	(19,200)	26,300	-	-
State Parks Capital Projects	(845,100)	(256,000)	(667,300)	-
Pass Through Grants	(5,980,200)	(113,800)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (9,499,000)</b>	<b>\$ (5,637,700)</b>	<b>\$ (5,917,300)</b>	<b>\$ (5,250,000)</b>
Legislative Sweeps and Transfers	(16,820,300)	(4,964,000)	(873,500)	-
Cash Transfer Backfill (JLBC review req'd)	(2,000,000)	4,964,000	-	-
<b>Variance - Balance Forward</b>	<b>\$ 3,227,600</b>	<b>\$ 4,256,700</b>	<b>\$ 2,365,900</b>	<b>\$ 2,015,900</b>

Notes and Adjustments:

In FY 2010, all vacant General Fund FTEs and other unfunded agency FTEs were placed in SLIF, including 20.3 seasonal FTEs.

In FY 2010, seasonal FTEs are funded as one-time SLIF expenditures. Of the 20.3 seasonal FTE positions, 12.3 were funded. No pass through grants or capital projects have been funded from FY 2008 or future revenues.

All grant and capital expenditures in FY 2009 through FY 2012 were funded from FY2007 or prior revenues.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Off Highway Vehicle Recreation Fund

Source of Funds	FY 2009 Actual	FY 2010 Budget Estimate	FY 2011 Budget Estimate	FY 2012 Budget Estimate
Balance Forward - Grants and Aid Projects	\$ 1,315,200	\$ 334,100	\$ -	\$ -
Balance Forward - Unobligated Funds	929,400	1,333,100	1,893,200	1,869,800
OHV Revenues - Program Administration	360,000	305,800	300,000	300,000
OHV Revenues - State Parks Operations	692,100	692,100	692,100	692,100
OHV Revenues - Program and Grants/Aid	1,456,400	1,550,100	1,507,900	1,507,900
<b>Total - Source of Funds</b>	<b>\$ 4,753,100</b>	<b>\$ 4,215,200</b>	<b>\$ 4,393,200</b>	<b>\$ 4,369,800</b>
<b>Disposition of Funds</b>				
FTE Positions	14.00	15.00	27 pay periods 8.33	9.00
Personal Services	\$ (590,200)	\$ (553,800)	\$ (499,300)	\$ (519,500)
Employee Related Expenditures (ERE)	(215,800)	(196,800)	(223,900)	(233,000)
Subtotal - Personal Services/ERE	\$ (806,000)	\$ (750,600)	\$ (723,200)	\$ (752,500)
Professional & Outside Services	\$ (21,800)	\$ (3,000)	\$ (14,000)	\$ (14,000)
Travel - In State	(800)	(14,100)	(27,600)	(27,600)
Travel - Out State	-	-	-	(194,000)
Other Operating Expenditures	(55,300)	(178,100)	(173,000)	
Non-Cap Equipment	(3,200)	(1,700)	(4,000)	(4,000)
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (81,100)	\$ (196,900)	\$ (218,600)	\$ (239,600)
One-Time Expenditures	-	-	-	-
<b>Subtotal Operating</b>	<b>\$ (887,100)</b>	<b>\$ (947,500)</b>	<b>\$ (941,800)</b>	<b>\$ (992,100)</b>
Administrative Adjustments	\$ (24,800)	\$ (22,600)	\$ -	\$ -
Grants and Aid Projects	\$ (481,100)	\$ (267,800)	\$ (719,700)	\$ -
<b>Total - Disposition of Funds</b>	<b>\$ (1,393,000)</b>	<b>\$ (1,237,900)</b>	<b>\$ (1,661,500)</b>	<b>\$ (992,100)</b>
Legislative Sweeps and Transfers	(1,692,900)	(584,100)	(861,900)	-
Cash Transfer Backfill (JLBC review req'd)	-	(500,000)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 1,667,200</b>	<b>\$ 1,893,200</b>	<b>\$ 1,869,800</b>	<b>\$ 3,377,700</b>

Notes and Adjustments:

Revenue for Program Administration is percentage of the total State Parks Off Highway Vehicle Recreation Fund (OHV) revenues.

For FY 2009, the percentage changed from 18% to 12%, effective January 1, 2009. Expenditures were less than 9% of OHV revenues.

For FY 2010 and later, revenue for Program Administration is capped at 12% of total OHV revenues.

Total estimated OHV revenue for FY 2011 and FY 2012 is \$2.5 million.

Per Laws 2010, 49th Leg., 7th Spec. Session, HB 2007 Sec 2,

State Parks may additionally spend up to \$692,100 of OHV revenues for agency operations in FY 2011.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Arizona Heritage Fund - Interest

Source of Funds	FY 2009 Actual	FY 2010 Budget Estimate	FY 2011 Budget Estimate	FY 2012 Budget Estimate
Balance Forward - Operating Fund	\$ 3,121,700	\$ 2,373,400	\$ 10,100	\$ -
Interest Revenue	697,300	263,200	10,000	-
<b>Total - Source of Funds</b>	<b>\$ 3,819,000</b>	<b>\$ 2,636,600</b>	<b>\$ 20,100</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTB Positions	13.00	3.00	-	-
Personal Services	\$ (623,700)	\$ (178,800)	\$ -	\$ -
Employee Related Expenditures (ERB)	(209,800)	(73,300)	-	-
Subtotal - Personal Services/ERB	\$ (833,500)	\$ (252,100)	\$ -	\$ -
Professional & Outside Services	\$ (99,300)	\$ -	\$ -	\$ -
Travel - In State	(17,900)	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(399,900)	(17,900)	(20,100)	-
Non-Cap Equipment	(25,800)	-	-	-
Capital Equipment	(10,400)	-	-	-
Subtotal - All OOE	\$ (553,300)	\$ (17,900)	\$ (20,100)	\$ -
One-Time Expenditures	-	(1,000,000)	-	-
Subtotal Operating	\$ (1,386,800)	\$ (1,270,000)	\$ (20,100)	\$ -
Administrative Adjustments	10,000	37,800	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (1,376,800)</b>	<b>\$ (1,232,200)</b>	<b>\$ (20,100)</b>	<b>\$ -</b>
Legislative Sweeps and Transfers	(68,800)	(163,900)	-	-
Cash Transfer Backfill FROM Other Funds	-	163,900	-	-
Cash Transfer Backfill TO Other Funds	-	(1,394,300)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 2,373,400</b>	<b>\$ 10,100</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes

(Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2011 interest revenue estimate is based on beginning the fiscal year with \$5.25 million of Heritage Fund capital project funds, and expending most of those funds before January 1, 2011. The rate of earned interest is projected to remain close to 0.75%. FY 2011 operating expenditures estimate is intended to bring the fund balance to zero prior to the end of the fiscal year.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
**Arizona Heritage Fund - State Parks Acquisition and Development**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Capital Outlay	\$ 7,357,400	\$ 7,133,000	\$ 4,000,000	\$ -
Revenue - Operating Funds	\$ -	\$ 187,400		
Revenue - Capital Funds	1,700,000	857,700	-	-
<b>Total - Source of Funds</b>	<b>\$ 9,057,400</b>	<b>\$ 8,178,100</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	-	2.00	-	-
Personal Services	\$ -	\$ (138,700)	\$ -	\$ -
Employee Related Expenditures (ERE)	-	(48,700)	-	-
Subtotal - Personal Services/ERE	\$ -	\$ (187,400)	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
Subtotal - Lump Sum Operating	\$ -	\$ (187,400)	\$ -	\$ -
State Parks Capital Outlay Projects	(1,924,400)	(1,842,400)	(3,019,400)	-
Tonto COP Lease Purchase	-	(448,300)	(980,600)	-
<b>Total - Disposition of Funds</b>	<b>\$ (1,924,400)</b>	<b>\$ (2,478,100)</b>	<b>\$ (4,000,000)</b>	<b>\$ -</b>
Legislative Sweeps and Transfers	-	(1,700,000)	-	-
Cash Transfer Backfill (JLBC review req'd)	-	-	-	-
<b>Variance - Balance Forward</b>	<b>\$ 7,133,000</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2011 expenditure estimate is intended to bring the fund balance to zero prior to the end of the fiscal year.

FY 2011 expenditures include the Tonto State Park COP lease purchase payments for both FY 2011 and FY 2012.

Total Tonto COP payment of \$980,600 in FY 2011 will complete our COP lease purchase obligation.

Remaining FY 2011 expenditures will complete the capital outlay projects approved by the Board on February 17, 2010.



FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Heritage Fund - Environmental Education

Source of Funds	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Balance Forward - Operating Fund	\$ 958,400	\$ 1,019,900	\$ -	\$ -
Revenue	500,000	307,400	-	-
<b>Total - Source of Funds</b>	<b>\$ 1,458,400</b>	<b>\$ 1,327,300</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	11.00	13.00	-	-
Personal Services	\$ (296,900)	\$ (200,000)	\$ -	\$ -
Employee Related Expenditures (ERE)	\$ (91,200)	\$ (65,500)	\$ -	\$ -
Subtotal - Personal Services/ERB	\$ (388,100)	\$ (265,500)	\$ -	\$ -
Professional & Outside Services	\$ (1,900)	\$ -	\$ -	\$ -
Travel - In State	(4,900)	(6,900)	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(40,700)	(35,000)	-	-
Non-Cap Equipment	(1,500)	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOB	\$ (49,000)	\$ (41,900)	\$ -	\$ -
One-Time Expenditures	-	(600,000)	-	-
Subtotal Operating	\$ (437,100)	\$ (907,400)	\$ -	\$ -
Administrative Adjustments	(1,400)	-	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (438,500)</b>	<b>\$ (907,400)</b>	<b>\$ -</b>	<b>\$ -</b>
Legislative Sweeps and Transfers	-	-	-	-
Cash Transfer Backfill TO Other Funds	-	(419,900)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 1,019,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.



FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
**Arizona Heritage Fund - Local, Regional and State Parks**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Grants	\$ 6,999,100	\$ 3,966,200	\$ -	\$ -
Balance Forward - Capital Outlay	700,000	700,000	700,000	-
Balance Forward - Unobligated Funds	2,800,000	2,775,400	-	-
AHF LRSP Revenue - Capital	700,000	700,000	-	-
AHF LRSP Revenue - Unobligated	2,800,000	1,451,700	-	-
<b>Total - Source of Funds</b>	<b>\$ 13,999,100</b>	<b>\$ 9,593,300</b>	<b>\$ 700,000</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	-	-	-	-
Personal Services	\$ -	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	-	-	-	-
Subtotal - Personal Services/ERE	\$ -	\$ -	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
Subtotal - Lump Sum Operating	\$ -	\$ -	\$ -	\$ -
Pass Through Grant	(3,557,500)	(1,920,600)	-	-
State Parks Capital Projects	(1,700,000)	(700,000)	(700,000)	-
<b>Total - Disposition of Funds</b>	<b>\$ (5,257,500)</b>	<b>\$ (2,620,600)</b>	<b>\$ (700,000)</b>	<b>\$ -</b>
Legislated Sweeps and Transfers	-	(2,697,300)	-	-
Legislated Transfer to Forestry	(1,300,000)	(3,000,000)	-	-
Cash Transfer Backfill TO Other Funds	-	(575,400)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 7,441,600</b>	<b>\$ 700,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes and Adjustments:**

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2011 expenditure estimate is intended to bring the fund balance to zero prior to the end of the fiscal year.

Remaining FY 2011 expenditures will complete the capital outlay projects approved by the Board on February 17, 2010.



FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
**Arizona Heritage Fund - Natural Areas Acquisition**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Capital Outlay	\$ 7,165,900	\$ 368,400	\$ -	\$ -
Balance Forward - Unobligated	\$ 2,368,500	\$ 204,300	\$ -	\$ -
AHF Natural Areas Acquisition Revenue	1,700,000	1,045,100	-	-
<b>Total - Source of Funds</b>	<b>\$ 11,234,400</b>	<b>\$ 1,617,800</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	-	-	-	-
Personal Services	\$ -	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	-	-	-	-
Subtotal - Personal Services/ERE	\$ -	\$ -	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
Subtotal - Lump Sum Operating	\$ -	\$ -	\$ -	\$ -
State Parks Capital Outlay	(7,052,400)	(7,100)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (7,052,400)</b>	<b>\$ (7,100)</b>	<b>\$ -</b>	<b>\$ -</b>
Legislated Sweeps and Transfers	(1,909,300)	(361,300)	-	-
Legislated Transfer to Forestry	(1,700,000)	-	-	-
Cash Transfer Backfill TO Other Funds	-	(1,249,400)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 572,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Heritage Fund - Natural Areas Operation and Management

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Operating Fund	\$ 1,017,700	\$ 927,100	\$ -	\$ -
Revenue	400,000	246,900	-	-
<b>Total - Source of Funds</b>	<b>\$ 1,417,700</b>	<b>\$ 1,174,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	9.00	11.00	-	-
Personal Services	\$ (242,500)	\$ (171,400)	\$ -	\$ -
Employee Related Expenditures (ERE)	(114,400)	(51,500)	-	-
Subtotal - Personal Services/ERE	\$ (356,900)	\$ (222,900)	\$ -	\$ -
Professional & Outside Services	\$ (100)	\$ -	\$ -	\$ -
Travel - In State	(12,400)	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(118,100)	(24,000)	-	-
Non-Cap Equipment	(1,400)	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (132,000)	\$ (24,000)	\$ -	\$ -
One-Time Expenditures	-	(100,000)	-	-
Subtotal Operating	\$ (488,900)	\$ (346,900)	\$ -	\$ -
Administrative Adjustments	(1,700)	(600)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (490,600)</b>	<b>\$ (347,500)</b>	<b>\$ -</b>	<b>\$ -</b>
Legislative Sweeps and Transfers	-	-	-	-
Cash Transfer Backfill TO Other Funds	-	(826,500)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 927,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates

**Arizona Heritage Fund - Trails**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Capital Funds	155,000	155,000	-	-
Balance Forward - Grant Funds	1,369,300	602,600	-	-
Unobligated Balance Forward	739,500	1,378,700	-	-
Revenues - Operating Funds	-	100,000	-	-
Revenues - Unobligated	500,000	207,400	-	-
<b>Total - Source of Funds</b>	<b>\$ 2,763,800</b>	<b>\$ 2,443,700</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	-	2.00	-	-
Personal Services	\$ -	\$ (70,000)	\$ -	\$ -
Employee Related Expenditures (ERE)	-	(30,000)	-	-
Subtotal - Personal Services/ERE	\$ -	\$ (100,000)	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ -	\$ (100,000)	\$ -	\$ -
State Parks Capital Outlay	-	-	-	-
Pass Through Grants	(627,500)	(113,500)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (627,500)</b>	<b>\$ (213,500)</b>	<b>\$ -</b>	<b>\$ -</b>
Legislative Sweeps and Transfers	-	(850,800)	-	-
Legislated Transfer to State Land Dept.	-	(465,000)	-	-
Cash Transfer Backfill TO Other Funds	-	(914,400)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 2,136,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.



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FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Arizona Heritage Fund - Historic Preservation

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Capital Funds	1,893,900	959,900	800,000	-
Balance Forward - Grant & Aid Funds	4,158,400	1,576,300	-	-
Unobligated Balance Forward	1,098,500	1,885,600	-	-
AHF HP Revenues - Operating Funds	-	69,000	-	-
AHF HP Revenues - Capital	700,000	976,100	-	-
AHF HP Revenues - Unobligated	1,000,000	-	-	-
<b>Total - Source of Funds</b>	<b>\$ 8,850,800</b>	<b>\$ 5,466,900</b>	<b>\$ 800,000</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
FTE Positions	-	1.00	-	-
Personal Services	\$ -	\$ (44,200)	\$ -	\$ -
Employee Related Expenditures (ERE)	-	(24,800)	-	-
Subtotal - Personal Services/ERE	\$ -	\$ (69,000)	\$ -	\$ -
Professional & Outside Services	\$ -	\$ -	\$ -	\$ -
Travel - In State	-	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ -	\$ -	\$ -	\$ -
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ -	\$ (69,000)	\$ -	\$ -
State Parks Capital Outlay	(1,634,000)	(787,900)	(800,000)	-
Pass Through Grants & Aid	(1,795,000)	(625,400)	-	-
<b>Total - Disposition of Funds</b>	<b>\$ (3,429,000)</b>	<b>\$ (1,482,300)</b>	<b>\$ (800,000)</b>	<b>\$ -</b>
Legislated Sweeps and Transfers	-	-	-	-
Cash Transfer Backfill TO Other Funds	(1,000,000)	(3,188,200)	-	-
<b>Variance - Balance Forward</b>	<b>\$ 4,421,800</b>	<b>\$ 796,400</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes and Adjustments:**

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 2 and Sec 4 eliminate distributions from the Arizona State Lottery to the State Parks Heritage Fund, on and after February 1, 2010.

Laws 2010, 49th Leg., 7th Spec. Session, HB 2012 Sec 15 and Sec 16 repeal all State Parks Heritage Fund statutes (Title 41, Chap. 3, Article 1), and reverts all cash remaining in the fund on June 30, 2011 to the State General Fund.

FY 2011 expenditure estimate is intended to bring the fund balance to zero prior to the end of the fiscal year.

Remaining FY 2011 expenditures will complete the capital outlay projects approved by the Board on February 17, 2010.



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FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Land Conservation Fund

Source of Funds	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
Balance Forward - Interest Account	\$ 6,286,700	\$ 500,000	\$ 500,000	\$ -
Balance Forward - Grant Funds	\$ 103,058,200	\$ 95,680,800	\$ 104,901,900	
Revenue - Interest Account	\$ 2,213,100	\$ 1,634,800	\$ 455,000	
Revenue - Grant Funds	20,000,000	20,000,000	20,000,000	-
<b>Total - Source of Funds</b>	<b>131,558,000</b>	<b>117,815,600</b>	<b>125,856,900</b>	<b>0</b>
<b>Disposition of Funds</b>			9 ppds 10 pos. for 4 mo.	
FTE Positions	5.00	32.00	3.33	-
Personal Services	\$ (1,330,100)	\$ (1,171,100)	\$ (270,400)	\$ -
Employee Related Expenditures (ERE)	(322,100)	(452,000)	(89,100)	-
Subtotal - Personal Services/ERE	\$ (1,652,200)	\$ (1,623,100)	\$ (359,500)	\$ -
Professional & Outside Services	\$ (23,700)	\$ -	\$ -	\$ -
Travel - In State	(15,500)	(2,900)	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(519,400)	(8,400)	(595,500)	-
Non-Cap Equipment	(1,100)	(400)	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (559,700)	\$ (11,700)	\$ (595,500)	\$ -
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ (2,211,900)	\$ (1,634,800)	\$ (955,000)	\$ -
Administrative Adjustments	(1,200)	-	-	-
Pass Through Grants	(33,164,100)	(10,778,900)	(2,000,000)	-
<b>Total - Disposition of Funds</b>	<b>\$ (35,377,200)</b>	<b>\$ (12,413,700)</b>	<b>\$ (2,955,000)</b>	<b>\$ -</b>
Reversion to State General Fund			\$ (122,901,900)	\$ -
<b>Variance - Balance Forward</b>	<b>\$ 96,180,800</b>	<b>\$ 105,401,900</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Statute 41-511-23 appropriates \$20 million annually from FY 2001 through FY 2011 from the General Fund to the Land Conservation Fund.

Under current law, the fund is voter protected, non-lapsing, and non-reverting.

Statute 41-511-23 I reserves the first \$500,000 of annual interest revenue for administration of the Growing Smarter Program, and designates annual interest revenue in excess of \$500,000 for the operation of the agency.

Revenues consist of the annual \$20 million Growing Smarter General Fund Appropriation, designated for pass through grants, and the interest accrued on the fund balance, designated for program administration and agency operations.

FY 2011 projected interest revenue is calculated at a rate of 1.75% on the FY 2010 ending fund balance, for the first three fiscal months.

FY 2011 interest revenue and ending cash balance presume reversion to the State general fund in November 2010.

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FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
**Partnerships Fund - Intergovernmental Agreements (IGAs)**  
**and the Land and Water Conservation Surcharge Account (LWCF SC)**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - IGAs	\$ 38,400	\$ 132,900	\$ 62,500	\$ 62,500
Balance Forward - LWCF Surcharge	432,700	391,500	153,400	85,100
Revenue - IGAs	204,500	164,600	567,700	567,700
Revenue - LWCF Surcharge	45,700	50,000	50,000	50,000
<b>Total - Source of Funds</b>	<b>\$ 721,300</b>	<b>\$ 739,000</b>	<b>\$ 833,600</b>	<b>\$ 765,300</b>
<b>Disposition of Funds</b>				
FTE Positions	4.00	4.00	7.00	7.00
Personal Services	(103,300)	(58,300)	(266,500)	(266,500)
Employee Related Expenditures (ERE)	(39,500)	(20,300)	(88,300)	(88,300)
Subtotal - Personal Services/ERE	\$ (142,800)	\$ (78,600)	\$ (354,800)	\$ (354,800)
Professional & Outside Services	\$ -	\$ -	\$ (14,000)	\$ (14,000)
Travel - In State	(300)	(2,600)	(1,500)	(1,500)
Travel - Out State	-	-	-	-
Other Operating Expenditures	(500)	(31,200)	(246,400)	(246,400)
Non-Cap Equipment	-	-	(1,000)	(1,000)
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (800)	\$ (33,800)	\$ (262,900)	\$ (262,900)
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ (143,600)	\$ (112,400)	\$ (617,700)	\$ (617,700)
Administrative Adjustments	-	-	-	-
Park and Program IGAs	(47,400)	(172,600)	(\$567,700 incl. above)	(\$567,700 incl. above)
<b>Total - Disposition of Funds</b>	<b>\$ (191,000)</b>	<b>\$ (285,000)</b>	<b>\$ (617,700)</b>	<b>\$ (617,700)</b>
Legislated Sweeps (from LWCF Surcharge)	(5,900)	(252,100)	(68,300)	-
Cash Transfer Backfill FROM Other Funds	-	14,000	-	-
<b>Variance - Balance Forward</b>	<b>\$ 524,400</b>	<b>\$ 215,900</b>	<b>\$ 147,600</b>	<b>\$ 147,600</b>

Notes and Adjustments:

FY 2011 beginning cash balances in IGA funds are estimates, and actual balances will carry forward for expenditure into FY 2011.  
 Agency Operating as presented consists of:

LWCF Surcharge revenue and expenditures, both estimated at \$50,000 annually.

Archaeological Compliance IGA with Az Dept. of Transportation for the State Historic Preservation Office at \$62,400 annually.  
 In FY 2009 and FY 2010, Park and Program IGA expenditures are presented separately from Agency Operating.

Nearly all IGA fiscal activity, until very recently, has been related to special projects - not intended to supplement agency operations.

Beginning with FY 2011, IGA funding is incorporated into the Agency Operating Budget,  
 as most IGA funding is intended to fund park operations by offsetting losses to agency operational budgets.

FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates

**Arizona Trail Fund**

	<u>FY 2009 Actual</u>	<u>FY 2010 Budget Estimate</u>	<u>FY 2011 Budget Estimate</u>	<u>FY 2012 Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Aid Projects	\$ 5,200	\$ 25,800	\$ -	\$ -
Revenue - General Fund Appropriation	125,000	-	-	-
<b>Total - Source of Funds</b>	<b>\$ 130,200</b>	<b>\$ 25,800</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disposition of Funds</b>				
<b>FTE Positions</b>				
Personal Services	\$ -	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	-	-	-	-
<b>Subtotal - Personal Services/ERE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Professional &amp; Outside Services</b>				
Travel - In State	\$ -	\$ -	\$ -	\$ -
Travel - Out State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Agency Reserve	-	-	-	-
Equipment	-	-	-	-
<b>Subtotal - All OOE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Pass Through Aid Projects</b>	<b>(104,400)</b>	<b>(25,800)</b>	<b>-</b>	<b>-</b>
<b>Total - Disposition of Funds</b>	<b>\$ (104,400)</b>	<b>\$ (25,800)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Variance - Balance Forward</b>	<b>\$ 25,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Adjustments:

Pass Through Aid expenditures reflect either direct purchase of services or pass through aid to maintain and preserve the Arizona Trail. The General Appropriations Act General Fund Appropriation is transferred to the Non-Appropriated Arizona Trail Fund. Projects are administered as non-lapsing and non-operating.

The FY 2010 Arizona Trail \$125,000 special line item appropriation was not accompanied by any appropriation from the General Fund.

This General Appropriations Act special line item had to be nominally funded from one or more of the following: the Enhancement Fund (EF), the Reservation Surcharge Fund (RSF), or the Law Enforcement Boating Safety Fund (LEBSF).

Although the Arizona Trail special line item was nominally funded from LEBSF, no cash transfer of funds has been processed.

The statutes governing the use of the three available funding choices are incompatible with the statutory uses of Arizona Trail Fund. The General Appropriations Act for FY 2011 does not contain an Arizona Trail special line item.



FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates

**Donations Fund**

	FY 2009 <u>Actual</u>	FY 2010 <u>Budget Estimate</u>	FY 2011 <u>Budget Estimate</u>	FY 2012 <u>Budget Estimate</u>
<b>Source of Funds</b>				
Bal. Forward - Interest Account	\$ 182,300	\$ 169,400	\$ 175,600	\$ 149,800
Bal. Forward - Park and Program Accounts	519,800	400,000	340,000	340,000
Revenue - Interest Account	13,800	6,200	3,900	3,900
Revenue - Park and Program Accounts	178,900	50,000	50,000	50,000
<b>Total - Source of Funds</b>	<b>\$ 894,800</b>	<b>\$ 625,600</b>	<b>\$ 569,500</b>	<b>\$ 543,700</b>
<b>Disposition of Funds</b>				
FTE Positions	4.00	-	-	-
Personal Services	\$ (136,300)	\$ -	\$ -	\$ -
Employee Related Expenditures (ERE)	(44,000)	-	-	-
Subtotal - Personal Services/ERE	\$ (180,300)	\$ -	\$ -	\$ -
Professional & Outside Services	\$ (500)	\$ -	\$ -	\$ -
Travel - In State	(200)	-	-	-
Travel - Out State	-	-	-	-
Other Operating Expenditures	(27,900)	(10,000)	(10,000)	(10,000)
Non-Cap Equipment	-	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (28,600)	\$ (10,000)	\$ (10,000)	\$ (10,000)
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ (208,900)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Park & Program Donation Accounts	(108,200)	(100,000)	(50,000)	(50,000)
<b>Total - Disposition of Funds</b>	<b>\$ (317,100)</b>	<b>\$ (110,000)</b>	<b>\$ (60,000)</b>	<b>\$ (60,000)</b>
Legislated Sweeps and Transfers	(8,300)	(233,600)	(19,700)	-
Cash Transfer Backfill FROM Other Funds	-	19,700	-	-
General Fund restoration of 5th SS Sweep	-	213,900	-	-
<b>Variance - Balance Forward</b>	<b>\$ 569,400</b>	<b>\$ 515,600</b>	<b>\$ 489,800</b>	<b>\$ 483,700</b>

Notes and Adjustments:

FY 2009 Operating expenditures of \$208,900 include:

Yuma Quartermaster Depot - final year of annual \$150,000 contribution from City of Yuma;

Sonoita Creek - final year of annual \$50,000 contribution from Avatar/Rio Rico Properties;

Outreach and Volunteer Programs - \$18,000 from Interest Account.

FY 2009 and FY 2010 Park and Program Account expenditures include \$50,000 per year expended from the Asta Forrest Bequest for the Morrison Institute study and report on the Sustainability of Arizona State Parks.

Other Park and Program revenues and expenditures are annual estimates of funds donated for other purposes, and may be higher.

Legislated Sweeps and Transfers have been applied to the Interest Account.

The General Fund restoration of the \$213,900 sweep imposed from the 5th Special Session avoided the necessity to apply any portion of that sweep to the Park and Program Accounts. The sweep exceeded the resources of the Interest Account.



**FY 2009, FY 2010, FY 2011 and FY 2012 Budget Estimates  
Publications and Souvenirs Fund**

	<u>FY 2009 Actual</u>	<u>FY 2010 Budget Estimate</u>	<u>FY 2011 Budget Estimate</u>	<u>FY 2012 Budget Estimate</u>
<b>Source of Funds</b>				
Balance Forward - Operating Fund	\$ 275,800	\$ 262,500	\$ 125,800	\$ 125,800
Publications & Souvenirs Revenue	520,700	475,100	250,000	250,000
<b>Total - Source of Funds</b>	<b>\$ 796,500</b>	<b>\$ 737,600</b>	<b>\$ 375,800</b>	<b>\$ 375,800</b>
<b>Disposition of Funds</b>				
FTE Positions	7.00	6.00	27 pay periods 1.00	1.00
Personal Services	\$ (99,700)	\$ (120,200)	\$ (48,600)	\$ (46,800)
Employee Related Expenditures (ERE)	(35,100)	(43,100)	(16,200)	(15,600)
Subtotal - Personal Services/HRE	\$ (134,800)	\$ (163,300)	\$ (64,800)	\$ (62,400)
Professional & Outside Services	\$ (8,300)	\$ -	\$ -	\$ -
Travel - In State	(400)	-	-	-
Travel - Out State	-	-	(500)	(500)
Other Operating Expenditures	(53,900)	-	(500)	(500)
Non-Cap Equipment	(2,500)	-	-	-
Capital Equipment	-	-	-	-
Subtotal - All OOE	\$ (65,100)	\$ -	\$ (1,000)	\$ (1,000)
One-Time Expenditures	-	-	-	-
Subtotal Operating	\$ (199,900)	\$ (163,300)	\$ (65,800)	\$ (63,400)
Administrative Adjustments	(800)	(300)	-	-
Resale Merchandise Purchases	(322,100)	(268,000)	(124,000)	(186,600)
<b>Total - Disposition of Funds</b>	<b>\$ (522,800)</b>	<b>\$ (431,600)</b>	<b>\$ (189,800)</b>	<b>\$ (250,000)</b>
Legislated Sweeps and Transfers	(11,200)	(202,900)	(60,200)	-
Cash Transfer Backfill FROM Other Funds	-	22,700	-	-
<b>Variance - Balance Forward</b>	<b>\$ 262,500</b>	<b>\$ 125,800</b>	<b>\$ 125,800</b>	<b>\$ 125,800</b>

Notes and Adjustments:

Resale Merchandise Inventory purchases are estimates. Depending upon sales, inventory purchases may be higher.



CONSIDER APPROVAL OF THE ARIZONA STATE PARKS  
FY 2011 CAPITAL IMPROVEMENT PLAN

**Background:**

Arizona State Parks is required annually to submit a Capital Improvement Plan (CIP) to the Arizona Department of Administration. The attached listing of project funding requests (Attachment-A) represents Arizona State Parks' CIP for FY 2011. Priorities and projects are subject to change with Board approval, depending upon review of fiscal analysis and strategic planning. This CIP includes projects previously approved by the Board.

The FY 2011 CIP includes all existing CIP funds. Any unexpended Heritage Funds will revert to the State General Fund after June 30, 2011, and therefore will be expended in FY 2011. No new revenues for capital outlay are anticipated in FY 2011, FY 2012, or FY 2013.

**Policy Issue – Fund Source for the Final Two Annual Tonto Lease Payments**

On February 17, 2010, the Board approved an allocation of \$1.6 million of Heritage capital funds for park closure projects. Since that date, the agency has entered into a number of agreements with contributing partners to enable the continued operation of most State Parks. Staff is recommending that \$980,600 of the park closure project funding be reallocated to fund the FY 2011 and FY 2012 payments to the Arizona Department of Administration for the Tonto Natural Bridge Certificate of Participation (COP) Lease Purchase agreement. These payments are \$373,800 in FY 2011 and \$606,800 in FY 2012. Both payments would be made during FY 2011, and would complete Arizona State Parks' fiscal obligation for the purchase of the Park. Following the elimination of the Heritage Fund on June 30, 2011, the FY 2012 Tonto Lease payment would otherwise have to be paid from park operating accounts, which would negatively impact park system operations.

**Policy Issue – Arizona State Parks Fund Donations**

In accordance with ARS § 41-511.11 and 41-511.22, State Parks may receive gifts, grants and other donations for purposes of carrying out the duties and objectives of the Board. The Director or designee may use the funds in accordance with the contributor's request.

Receipts to the Donations Fund include contributions from all non-governmental entities, whether individuals, corporations, or non-profit organizations. Each state park, and several Arizona State Parks programs, has one or more donation accounts within the fund. Contributions received for specific and significant scope items are assigned to additional designated accounts.

The Arizona State Parks Donation Fund is typically spent on items that directly benefit our park users. In addition, money donated at or for a specific park or program is only spent at or for that particular park or program. Typical

expenditures have included are benches, shade structures trail improvements and educational materials and brochures.

Interest earned on the Park and Program Accounts is treated as Operating Budget funding and is addressed in the Operating Budget Board Action Item.

Attachment B presents the actual cash balances in each Park and Program account as of April 30, 2010.

Staff is requesting authority to expend up to \$50,000 from Park and Program accounts, excluding the Asta Forrest Bequest account. Staff will present recommendations to the Board at a later date regarding this account.

**Staff Recommendation**

Staff recommends that the Arizona State Parks Board approve the Arizona State Parks Capital Improvement Plan for FY 2011 as presented in Attachment-A, which includes the FY 2011 and FY 2012 Tonto Natural Bridge lease purchase payments. Staff further recommends that the Arizona State Parks Board authorize expenditures of up to \$50,000 per year from the Park and Program Donation Accounts.

**Recommended Board Action**

I move that the Arizona State Parks Board approve the Arizona State Parks Capital Improvement Plan for FY 2011 as presented in Attachment-A, which includes the FY 2011 and FY 2012 Tonto Natural Bridge lease purchase payments. I further move that the Arizona State Parks Board authorize expenditures of up to \$50,000 per year from the Park and Program Donation Accounts.

ATTACHMENT-A  
FISCAL YEAR 2011  
CAPITAL IMPROVEMENT PLAN

**DEFINITIONS:**

AHF A & D: Arizona Heritage Fund Acquisition and Development  
AHF HP: Arizona Heritage Fund Historic Preservation  
AHF LRSP: Arizona Heritage Fund Local, Regional, and State Park  
LWCF: Land and Water Conservation Fund  
SLIF: State Lake Improvement Fund

1. New Pre-Manufactured Maintenance Building at Buckskin Mountain  
Estimated Cost: \$80,000 (\$30,000 AHF A& D and \$50,000 AHF LRSP)  
Scope: This project will provide for the purchase of one steel building. This in-house project will provide staff with adequate storage of equipment and supplies. Includes concrete slab and electrical. This park improvement will increase security/safety for the park.
2. New Potable Water Well at Buckskin Mountain  
Estimated Cost: \$72,000 (\$72,000 SLIF)  
Scope: In-house design for construction to replace existing well. Includes pumps, piping and capping of old well. This park improvement will increase production of water, enhance the visitor's safety, protect the resource and increase the park's operational effectiveness.
3. Stabilization of Cabana Area at Buckskin Mountain  
Estimated Cost: \$175,000 (\$175,000 AHF A& D)  
Scope: This project provides design, construction and stabilization to existing footings and walls at the river front cabana area. Previous flooding and wave actions have deteriorated the beachfront areas. Completion of this project will result in increased visitor safety, enhance the visitors experience, protect the resource and increase the park's operational effectiveness as well as revenue.
4. New Pre-Engineered Restroom/Shower Building at Buckskin Mtn./River Island Unit  
Estimated Cost: \$350,000 (\$150,000 LWCF and \$200,000 AHF LRSP)  
Scope: Funding for this project will be used for the design and construction of a new restroom/shower building. This will result in increased visitor safety and will ultimately enhance the visitors experience, protect the resource and increase the park's operational effectiveness as well as revenue.
5. New Potable Water Treatment Plant Upgrades at Buckskin Mtn./River Island Unit  
Estimated Cost: \$488,900 (\$368,900 LWCF and \$120,000 AHF LRSP)  
Scope: Design and construction to upgrade existing well and waterlines. Includes pumps, piping and chlorination. These park improvements will ultimately enhance the visitors' safety, protect the resource and increase the park's operational effectiveness.



6. Stabilization to Douglas Mansion at Jerome  
Estimated Cost: \$357,000 (\$357,000 AHF A& D)  
Scope: This project is necessary to stop further deterioration of this beautiful historic building. This project provides design and construction to stabilize existing foundations, floors and walls. Additional work includes upgrades to fire alarm as well as suppression systems. This project is essential to the protection of its valuable historic and cultural resources.
7. Electrify 38 Existing Campsites at Lost Dutchman  
Estimated Cost: \$459,300 (\$59,100 AHF A& D, \$220,200 LWCF and \$180,000 AHF LRSP)  
Scope: Funding for this project will be used for the design and construction to electrify 38 existing campsites, utility extensions, as well as other site improvements. This will result in increased visitor safety and will ultimately enhance the visitors experience, protect the resource and increase the park's operational effectiveness as well as revenue.
8. New HVAC for Contact Station at Lost Dutchman  
Estimated Cost: \$6,500 (\$6,500 AHF A& D)  
Scope: Funding for this project will be used for the installation of a new heat pump. This will result in increased visitor comfort and increase the park's operational effectiveness.
9. New Pre-Engineered Restroom/Shower Building at Lost Dutchman  
Estimated Cost: \$355,600 (\$205,600 AHF A& D and \$150,000 AHF LRSP)  
Scope: Funding for this project will be used for the design and construction of a new restroom/shower building. This will result in increased visitor safety and will ultimately enhance the visitors experience, protect the resource and increase the park's operational effectiveness as well as revenue.
10. New Pre-Manufactured Maintenance Building at Lost Dutchman  
Estimated Cost: \$180,000 (\$180,000 AHF A& D)  
Scope: This project will provide for the purchase of one steel building. This in-house project will provide staff with adequate storage of equipment and supplies. Includes concrete slab, parking and electrical. This park improvement will increase security/safety for the park.
11. New Pavement Parking to Cholla Day Use Area at Lost Dutchman  
Estimated Cost: \$187,700 (\$80,200 AHF A& D and \$107,500 LWCF)  
Scope: This project provides design, construction and minor stabilization to existing gravel parking area. Completion of this project will result in increased visitor safety and will ultimately enhance the visitors experience and increase the park's operational effectiveness as well as revenue.
12. Termite Treatment at Red Rock State Park  
Estimated Cost: \$15,000 (\$15,000 AHF A& D)  
Scope: Funding for this project will be used for the treatment of subterranean termites that have infested all the structures within the park. Drilling and tenting

methods will be utilized. This will result in increased visitor safety, protect the resource and increase the park's operational effectiveness.

13. Fire Suppression Upgrades to Riordan Mansion

Estimated Cost: \$30,000 (\$30,000 AHF HP)

Scope: Funding for this project will be used for the replacement and upgrades to the existing fire suppression system. This will result in increased visitor safety, protect the resource and increase the park's operational effectiveness.

14. New Wastewater Treatment Plant at Slide Rock

Estimated Cost: \$65,000 (\$65,000 AHF A & D)

Scope: The design and construction of a new treatment plant with a capacity for future fire station by others. This 98% complete state of the art system shall be in full compliance with the ADEQ Consent Order. This project is essential to the safe operation of the park and protection of its valuable historic and recreational resources.

15. New Restroom Building at Slide Rock

Estimated Cost: -0- Complete

Scope: The design and construction of a new restroom building shall be in full compliance with the ADEQ Consent Order. This building shall use recycled water from the treatment plant for flushing. This project is essential to the safe operation of the park and protection of its valuable historic and recreational resources.

16. Retrofit Existing Restroom Building at Slide Rock

Estimated Cost: -0- Complete

Scope: The design and construction to retrofit the existing Clivus Multrum restroom building into a new flush type system and shall be in full compliance with the Arizona Department of Environmental Quality (ADEQ) Consent Order. This building shall use recycled water from the treatment plant for flushing. This project is essential to the safe operation of the park and protection of its valuable historic and recreational resources.

17. New Maintenance Building at Slide Rock

Estimated Cost: -0- Complete

Scope: The design and construction of a new pre-engineered steel maintenance building for use by the staff for storage of materials and equipment. This project is essential to the safe operation of the park and protection of its valuable recreational resources.

18. New Perimeter Fencing at Sonoita Creek State Natural Area

Estimated Cost: \$50,200 (\$50,200 AHF A & D)

Scope: This project provides new barbwire fencing at Fresno Canyon. This will result in increased visitor safety and will ultimately enhance the visitors experience, protect the resource and increase the park's operational effectiveness.

19. Fence at Sonoita Creek State Natural Area

Estimated Cost: \$4,600 (\$4,600 AHF A & D)

Scope: This project provides continued repair and maintenance of existing fencing throughout the natural areas. This will result in increased visitor safety and will

ultimately enhance the visitors experience, protect the resource and increase the park's operational effectiveness.

20. Lodge Upgrades at Tonto Natural Bridge

Estimated Cost: \$15,000 (\$15,000 AHF A & D)

Scope: This 96% completed project provided design and construction necessary to upgrade and stabilize the interior and exterior of the lodge. Included a new roof and Americans Disability Act (ADA) modifications for greater accessibility. This project is essential to the protection of its valuable historic and cultural resources. Completion of this project will ultimately enhance the visitors experience and increase the park's operational effectiveness as well as revenue.

21. Lease Payments at Tonto Natural Bridge

Actual Cost: \$980,600 (\$980,600 AHF A & D)

Scope: Lease Purchase amount of \$373,800 for FY 2011 and \$606,800 for FY 2012 Certificate of Participation (COP).

22. Multi-Parks – Satellite and Cable Data Communication Projects

Estimated Cost: \$90,000 (\$90,000 AHF A& D)

Scope: This program provides funding for force account as well as contracted projects for installing or upgrading existing data communications. This includes internet, e-mail and telephone. This is an on-going program allowing the agency to address current and future park needs to save time as well as funding.

23. Multi-Parks – Improvements, Materials, ADA, Force and Exhibits

Estimated Cost: \$1,032,100 (\$318,700 AHF A& D, \$605,400 AHF HP and \$108,000 SLIF)

Scope: This program provides funding for unforeseen project needs, emergency repairs, materials, force projects, ADA and exhibits. These funds are used to maximize the cost effectiveness of dollars expended on small, but complex projects or emergency repairs.

24. Multi-Parks – ADEQ Consent Order (continued)

Estimated Cost: \$1,108,500 (\$621,200 AHF A & D and \$487,300 SLIF)

Scope: This continued work has been compiled to satisfy the ADEQ/ASP Consent Order #P-113-04, which includes acquiring the needed documentation for Approval to Construct (ATC), Approval of Construction (AOC), Engineer's Certificates of Completion, Clean Closure documentation, preparation of listed wastewater permit applications along with administration for specified corrective actions and new construction.

25. Multi-Parks – ADEQ Compliance

Estimated Cost: \$394,500 (\$394,500 AHF A& D)

Scope: This program enables Arizona State Parks to systematically retrofit, repair, replace or provide for the testing of the agency's water and wastewater systems. This will ensure compliance with current Arizona Department of Environmental Quality standards. This is an on-going program that allows the agency to address current and future needs.

26. Multi-Parks – Closure Actions

Estimated Cost: \$516,400 (\$351,800 AHF A& D and \$164,600 AHF HP)

Scope: This program provides funding for the purchase of construction materials using in-house staff for securing, shutting down and closing various state parks. This is an on-going program allowing the agency to address current and future needs.

# ATTACHMENT - A

## ARIZONA STATE PARKS

FY 2011

### CAPITAL IMPROVEMENT PLAN SUMMARY

NO.	PARK	PROJECT NAME	AHF A&D	AHF LRSP	AHF HP	Fed LWCF	SLIF	TOTAL
1	Buckskin	New pre-manufactured maintenance building	30,000	50,000				80,000
2	Buckskin	New potable water well					72,000	72,000
3	Buckskin	Stabilization of cabana area	175,000					175,000
4	Bucksk/River Island	New pre-engineered restroom/shower building		200,000		150,000		350,000
5	Bucksk/River Island	New potable water treatment plant upgrades		120,000		368,900		488,900
6	Jerome	Stabilization to Douglas Mansion	357,000					357,000
7	Lost Dutchman	Electrify 38 existing campsites	59,100	180,000		220,200		459,300
8	Lost Dutchman	New HVAC for contact station	6,500					6,500
9	Lost Dutchman	New pre-engineered restroom/shower building	205,600	150,000				355,600
10	Lost Dutchman	New pre-manufactured maintenance building	180,000					180,000
11	Lost Dutchman	New pavement parking at Cholla day use area	80,200			107,500		187,700
12	Red Rock	Termite treatment-all structures	15,000					15,000
13	Riordan	Fire suppression upgrades			30,000			30,000
14	Slide Rock	New wastewater treatment plant	65,000					65,000
15	Slide Rock	New restroom building - project complete						0
16	Slide Rock	Retrofit existing restroom building - project complete						0
17	Slide Rock	New maintenance building - project complete						0
18	Sonoita Creek	New perimeter fencing at Fresno Canyon	50,200					50,200
19	Sonoita Creek	Fence (continued maintenance & repair)	4,600					4,600
20	Tonto	Lodge upgrades - project 96% complete	15,000					15,000
21	Tonto	FY 2011 and FY 2012 COP Lease Purchase	980,600					980,600
22	Multi-Parks	Satellite and cable data communication projects	90,000					90,000
23	Multi-Parks	Improvements, materials, ADA, force and exhibits	318,700		605,400		108,000	1,032,100
24	Multi-Parks	ADEQ Consent Order - continued	621,200				487,300	1,108,500
25	Multi-Parks	ADEQ Compliance	394,500					394,500
26	Multi-Parks	Closure actions	351,800		164,600			516,400
<b>TOTAL</b>			4,000,000	700,000	800,000	846,600	667,300	7,013,900

**Attachment B**  
**ARIZONA STATE PARKS**  
**DONATIONS FUND - PARK AND PROGRAM ACCOUNTS**

**Note: Does not include Donations Interest operating funds.**

ACCOUNT NAME	Cash Balance April 30, 2010
<b>Partnerships Division Donation Accounts:</b>	
Recreational Trails	1,878
State Historic Preservation Office (SHPO)	324
SHPO - Archaeology Month and Expo	3,826
SHPO - Arizona Site Steward Program	0
<b>Subtotal Partnerships Donation Accounts</b>	<b>6,028</b>
 <b>Parks Division Donation Accounts:</b>	
Alamo Lake	5,609
Buckskin Mountain	4,364
Catalina	1,407
Catalina - Memorial Benches	434
Cattail Cove	945
Dead Horse Ranch	4,571
Fool Hollow	16,620
Fort Verde	7,210
Fort Verde - Flag Fund	444
Homolovi Ruins	16,027
Jerome	5,177
Kartchner Caverns	18,195
Kartchner - Humming Bird Garden	841
Lake Havasu	7,771
Lake Havasu - Memorials	205
Lost Dutchman	7,017
Lyman Lake	3,278
McFarland	4,201
McFarland - CH Trust Account	11,150
Oracle	5,169
Oracle - Kannally House Restoration	2,000
Patagonia Lake	3,227
Picacho Peak	2,172
Red Rock	6,743
Red Rock - Benefactors of RRSP Support	1,585
Riordan Mansion	15,630
Roper Lake	611
San Rafael	5,507
Slide Rock	3,802
Tombstone Courthouse	6,195
Tonto Natural Bridge	6,101
Tubac Presidio	6,343
Tubac Presidio - Anza Days	2,750
Tubac Presidio - Rojas House	1,328
Verde River Greenway	71
Yuma Quartermaster Depot	5,042
Yuma Territorial Prison	11,451
Operations - Mucklow Bequest	1,000
Operations - Forrest Bequest	143,052
<b>Subtotal Parks Division Donation Accounts</b>	<b>345,242</b>
 <b>Total Park and Program Donation Accounts</b>	 <b>351,270</b>

BOARD ACTION ITEM  
June 15 and 16, 2010

AGENDA ITEM: **F8**

**CONSIDER APPROVAL OF FY 2011 STATE HISTORIC  
PRESERVATION OFFICE (SHPO) WORK PLAN**

**Background**

The State Historic Preservation Office (SHPO) meets annually to review State Historic Preservation Office activities as they relate to the State Historic Preservation Plan. The Annual SHPO Work Plan must be approved by the Arizona State Parks Board in order for State Parks to receive the federal apportionment for the historic preservation program.

**Current Status**

The SHPO updated the 2011 work plan this spring. The new work plan (attached) reflects both the current budget situation, reduced staffing, and increase workloads in Review and Compliance because of the federal American Recovery and Reinvestment Act (ARRA) funded projects.

**Staff Recommendations**

Staff recommends the approval of the FY 2011 State Historic Preservation Office (SHPO) Work Plan.

**Recommended Board Action**

I move that the Arizona State Parks Board approve the State Historic Preservation Office (SHPO) FY 2011 Work Plan.



**State Historic Preservation Office**  
**ARIZONA STATE PARKS**  
**Proposed 2010-2011(FY 2011) Work Program Task List**

The task list reflects the SHPO staff's need to continue implementation of the updated State Historic Preservation Plan. While there continues to be a strong mandate to meet our responsibilities under the Basic Task categories the Proactive tasks have been designed to target the relationship between the continued implementation of the Plan; efforts to develop lasting legacy projects related to the commemoration of the State's Centennial in 2012; meeting compliance review schedules for ARRA projects; and finding new funding sources for activities.

**Program Administration:**

**Basic Tasks:**

- Sort, log and process incoming communications.
- Document outgoing correspondence.
- Monitor expenditures and budget limits.
- Present Policy, Program and Process Recommendations to the Parks Board.
- Pursue multiple funding sources for programs and staffing.
- Prepare NPS End-of-year Report and new HPF application.
- Monitor state and federal administrative requirements.
- Provide administrative and program staff to GAAC.
- Monitor Preservation Legislation.

**Proactive Tasks:**

- Continue distribution of the State Historic Preservation Plan.
- Seek out new program partners and funding.
- Monitor NPS/HPF Grant funding process.
- Continue copying of SHPO documents into electronic formats.
- Seek staff training opportunities.
- Assist ASP with Centennial Legacy Project activities and projects.
- Act as ASP Tribal Liaison and participate in Tribal Liaison meetings coordinated by the Governor's Office.

**Compliance:**

**Basic Tasks:**

- Review agency undertakings.
- Complete reviews within designated time frames.
- Meet with agencies and visit project and property locations.
- Assist in 106 training opportunities.
- Provide technical assistance to agencies.
- Summarize activities for reporting purposes.
- Coordinate with Grants Section on federal and state compliance.
- Prepare State Agency Compliance Report.

**Proactive Tasks:**

- Continue entering legacy data into AZSITE.
- Implement and upgrade electronic relational database tracking and records system.
- Work with agencies and NCSHPO to update critical Programmatic Agreements.
- Conduct training for State Agencies
- Plan tribal and agency meeting on Traditional Cultural Places.

**Survey and Inventory:**

**Basic Tasks:**

- Coordinate with federal and state agencies, local communities, and CLGs on local survey efforts and priorities.
- Process internal determinations-of-eligibility.
- Process incoming inventory forms.
- Provide survey technical assistance to communities.
- Maintain electronic and paper inventory records.

**Proactive Tasks:**

- Continue computerization of inventory legacy data.

- Monitor Historic Property data input into AZSITE.
- Monitor Historic Cemetery Inventory Program.

#### **National/State Registers:**

##### Basic Tasks:

- Process nominations from external sources.
- Review federal and state agency nominations.
- Coordinate with CLGs on nomination review.
- Provide technical assistance to property owners, consultants and agencies.
- Coordinate with CLGs and Neigh. Associations on district update needs.
- Monitor continued eligibility of NR/SR and NHL Properties.
- Facilitate HSRC meetings and peer review of nominations.
- Report on activities of HSRC.

##### Proactive Tasks:

- Assist with NHL reviews.

#### **Planning:**

##### Basic Tasks:

- Review CLG annual reports and work plans.
- Coordinate with ASPB planning and budget requirements.
- Focus annual task list toward revision of the State Historic Preservation Plan.

##### Proactive Tasks:

- Monitor implementation of the State Historic Preservation Plan.
- Monitor the designation of Heritage Areas/Corridors.
- Work with AHAC on planning for the Arizona Centennial.
- Set SHPO priorities for Centennial Legacy Projects.
- Continue local planning workshops.

#### **Grants:**

##### Basic Tasks:

- Coordinate with the Grants Section on AHF grants.
- Review and monitor NPS funded grants.
- Coordinate HPF CLG Pass-through Program emphasizing planning efforts.
- Inspect and monitor grants for compliance.
- Monitor covenants

##### Proactive Tasks:

- Seek grants with partners for proactive program goals.
- Encourage CLGs to use pass-through grant funds for planning Centennial Legacy Projects.

#### **Certified Local Governments:**

##### Basic Tasks:

- Assist Counties in their CLG designation efforts.
- Assist Communities to become CLGs.
- Monitor CLGs.
- Provide technical assistance on preservation issues.

##### Proactive Tasks:

- Continue integration of State Plan Goals into CLGs Historic Preservation Plans.
- Work with CLGs to develop local Centennial Legacy Projects.

#### **Tax Incentives:**

##### Basic Tasks:

- Provide technical assistance to Tax Act and SPT program applicants.
- Process Tax Act and SPT applications.
- Prepare SPT Program status report.
- Review participant reports, status and proposed projects.
- Review Commercial Historic Property Tax Projects.

##### Proactive Tasks:

- Continue work with the Dept. of Revenue to update program policies.

#### **Public Education:**

##### Basic Tasks:

- Continue Annual Preservation Partnership Conference
- Continue Archaeology Month and seek alternative funding for Archaeology Expo.
- Update administration and funding of the Site Stewards Program in coordination with program partners.
- Participate in the Heritage Preservation Honor Awards with APF.
- Provide support to GAAC

##### Proactive Tasks:

- Update ASP/SHPO website.
- Coordinate sessions at partner conferences.
- Coordinate the Historical Archaeology Advisory Committee
- Provide training opportunities to agencies and the public.

#### **Technical Assistance:**

##### Basic Tasks:

- Provide technical assistance on historic property treatments.
- Provide technical assistance on survey and inventory techniques.
- Provide technical assistance on property nominations.
- Provide technical assistance to CLGs.
- Provide technical assistance to tribes.

##### Proactive Tasks:

- Provide technical assistance on Centennial Legacy Projects.

106	Sect. 106 of the National Historic Preservation Act
110	Sect. 110 of the National Historic Preservation Act
AAC	Arizona Archaeological Council
ACHP	Advisory Council for Historic Preservation
AHAC	Arizona Historical Advisory Commission
AHF	Arizona Heritage Fund
APF	Arizona Preservation Foundation
ASLAPR	Arizona State Library, Archives and Public Records
ASM	Arizona State Museum
ASU	Arizona State University
AZSITE	Statewide inventory of Cultural Resources
CLG	Certified Local Government
DoC	Department of Commerce
DOE	Determination of Eligibility
GAAC	Governor's Archaeological Advisory Commission
HPF	Historic Preservation Fund
HSRC	Historic Sites Review Committee
MPDF	Multi-Property Documentation Form
NCSHPO	National Conference of SHPOs
NHL	National Historic Landmark
NHPA	National Historic Preservation Act
NPS	National Park Service
NR	National Register of Historic Places
PA	Programmatic Agreement
SHPO	State Historic Preservation Office or Officer
SPT	State Property Tax
SR	State Register of Historic Places

**CONSIDER A REQUEST FOR PROPOSAL  
FOR THE OPERATION OF ORACLE STATE PARK**

**Background**

Oracle State Park (Park) was established in 1987 as a 4,000-acre wildlife refuge in the northern foothills of the Catalina Mountains. Once part of the Kannally family cattle ranch, the unique Mediterranean style ranch house in the park is now listed on the National Register of Historic Places.

The Park offers day-use picnic sites and over 15 miles of trail for use by hikers, bicyclists and equestrians. A four-mile section of the Arizona Trail passes through the park.

The two parcels (map attached) that comprise the Park have conservation easements. The original parcel (3,498 acres) has deed restrictions set by the Defenders of Wildlife. A second parcel, the Huggett property (221 acres), has a conservation easement with the Arizona Land and Water Trust.

**Current Status**

The Arizona State Parks Board (Board) recognizes the importance of keeping the Park open to the public, and further recognizes that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the Park.

Through Board action on September 11, 2009, the Executive Director is authorized to enter into, amend and withdraw from operating agreements in order to offset or reduce costs, or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter into agreements for the purpose of keeping parks open. Chapter 249, Laws 2010 (SB 1349) is an emergency measure that allows the Board to contract with public or private entities or an Indian tribe to operate state parks.

Oracle State Park was closed by action of the Board in September 2009 and remains closed except for the portion of the Arizona Trail that passes through the park. Staff has received no offers from local governments to assist or to operate the Park. Therefore, staff proposes issuing a Request for Proposal (RFP) for the operation of the park. Staff will provide a recommendation for contract award to the Board for approval.

Proposal requirements for the operation of Oracle State Park:

- Compliance with the terms of the deed restrictions and conservation easement agreements.
- Maintain unrestricted public access to the portion of the Arizona Trail on the Park.
- Comply with the Secretary of Interior Standards on Historic Preservation.

Proposals should address:

- Operations Plan
- Maintenance Schedule
- Proposed development and major maintenance projects
- Staffing
- Educational programs

**Staff Recommendation**

Staff recommends the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal for the operation of Oracle State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.

**Recommended Board Action**

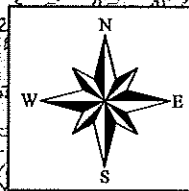
I move the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal for the operation of Oracle State Park and provide a recommendation for contract award to the Parks Board for approval.

# ORACLE STATE PARK

State  
Trust  
Land

Huggett Properties

0 0.25 0.5 1 Miles



**CONSIDER REVISING FEE POLICY TO ALLOW TWO PASS HOLDER  
NAMES ON STANDARD AND PREMIUM ANNUAL PASSES**

**Background**

The Arizona State Parks Board took action on November 13, 2009 to adopt adjustments to park fees and policies effective March 1, 2010.

November 13, 2009 Staff Parks Board Action included:

*"The Premium Pass be retained and the fee increased. In order to reduce the fraudulent use and counterfeiting of passes, staff will augment the validation processes to include holographic marking on the passes, single name signature line and pass holder verification."*

**Current Status**

Staff has received numerous comments at the park level and on the website regarding the single pass holder policy. Many of the comments are about the inability to use the pass as a "family pass." The single pass holder restricts a family's ability to use the pass if the authorized pass holder is unavailable.

Parks staff has been diligent in the enforcement of pass holder verification and have confiscated numerous passes being used by persons other than the pass owner/signer. Adding a second pass holder will allow all visitors to use the pass in a manner that is consistent with visitor expectations.

**Annual Pass Prices:**

Standard Annual Pass      \$75.00 (All parks except Colorado River Parks)  
Premium Annual Pass      \$200.00 (All parks)

**Annual Pass Sales Analysis:**

Annual pass sales for the period March 1 - May 31 in FY 2009 compared to FY 2010 reflects a 66% decrease in Premium Pass sales and a 36% decrease in Standard Pass sales. However, total Day/Use revenue increased by 23% in this same period.

Fiscal Year March 1- May 31	Annual Passes Sold	Total Annual Pass Revenue	%Change	Total Day/Use Revenue*	% Change
2009	3,491	\$278,824		\$1,316,093	
2010	2,018	\$227,275	-18.5%	\$1,623,886	23.39%

\*Includes Annual Pass revenue.

There are a number of factors affecting Annual Pass sales:

- Staff predicted a 39% decrease in Premium Pass sales and a 13% decrease in Standard Pass sales based on increased price.



- Many users purchased Annual Passes prior to the price increase. (Feb. 2009, 104 passes sold compared to Feb. 2010, 448 passes sold)
- New policy requiring a single pass holder.
- Proposed legislation allowing Lake Havasu City to operate Lake Havasu State Park.
- Park closures
- Continuing recession

The revenue impact of adding a second pass holder is difficult to quantify for the same reasons.

**Staff Recommendation**

Staff recommends the Executive Director revise the Standard and Premium Pass policy immediately to allow for two pass holder names on each pass. Further all valid existing annual passes will be eligible to have a second pass holder added. Staff is directed to continue its efforts in pass holder verification to prevent fraudulent use.

**Recommended Board Action**

I move the Arizona State Parks Board authorize the Executive Director to revise the Standard and Premium Pass policy immediately to allow for two pass holder names on each pass. Further all valid existing annual passes will be eligible to have a second pass holder added. Staff is directed to continue its efforts in pass holder verification to prevent fraudulent use.